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Marketing Sri Lanka as an International Tourist Destination

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Abstract

Within the last two decades Sri Lanka's tourism industry has grown dramatically as one of the main foreign exchange earners and employment provider. Since Sri Lanka depends enormously on tourism for its growth and development, this paper provides an analysis of marketing efforts within the tourism industry in Sri Lanka for foreign tourists. In compliance with this trend, the purpose of this thesis and research is to review Sri Lanka as an international tourist destination and its current marketing activities in the tourism trade, to investigate the proper use of marketing efforts, and to suggest guidelines for the future destination marketing strategies. Additionally, the thesis also aims at providing a clear picture of the tourism industry in Sri Lanka and will attempt to provide information, particularly to the policy makers that will assist them in making policy decisions regarding marketing strategies for the tourism industry. It will also provide some recommendations that need to be considered by policy makers when incorporating any future development plans for the tourism industry in Sri Lanka.

Keywords: Destination Marketing, Tourism Marketing, Sri Lanka, Destination Internal Analysis, Destination Competitiveness, Tourism Market Segmentation, Destination Image, Destination Branding, Destination Positioning, Destination Marketing Efforts

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1.1 Introduction

Sri Lanka has attracted visitors from abroad for many centuries. They came to Sri Lanka for various different reasons. Printed literature on Tourism, by word of mouth and other communication channels developed a perception of Sri Lanka as a “Paradise Island” (Selvanathan S. 2007). Although, tourism in Sri Lanka was addressed under different themes namely- political stability, war, child sex and so on, aspects of marketing is loosely concerned in the prevailing literature. This study, “Marketing Sri Lanka; as an International Tourist Destination” aims to discover the unexplored practices of destination marketing in Sri Lanka.

“As a tropical country, Sri Lanka has a variety of climatic zones, ranging from arid dry zone conditions to lush, mountainous regions adding to its other attractions” (Ranaraja S. 2003). Sri Lanka’s wealth of natural attractions, featuring outstanding landscapes, distinctive system and high levels of biodiversity, business environment connected with friendly host community offers the potential to market the country as a distinctive international tourism destination. Tourism is a very fragmented industry and marketing a destination requires strong partnerships and a coordinated marketing effort among a wide and varied range of sectors, which includes accommodation, transportation and visitor attractions. Sri Lankan destination marketers have to work increasingly hard to create or maintain a share of the tourism market with the fierce competition of other countries. Among developing country experience, Sri Lanka's dependence on tourism has increased dramatically. Tourism became a major economic activity in Sri Lanka after 1977. Sri Lanka generates substantial revenues from the international tourism industry. Like any other economic activity, international tourism must be managed in accordance with sound marketing efforts in order to make it as productive as possible. Hence, marketing efforts including product, price, promotion, distribution, people, market segmentation, destination image building, destination branding and destination positioning are essential for success with the increasing competition from the rest of world.

Several issues can be identified in relation to tourism in Sri Lanka where long-term needs are not addressed. The emphasis of this study is mainly on destination marketing aspects. This thesis analyses these problems and explores ways in which they may be overcome by introducing changes to the tourism marketing strategy. Particular emphasis is placed on the design of alternative tourism marketing strategies that call for increased community

participation and more coordinated state involvement in tourism marketing to serve broad based development goals.

1.2 Objectives of the Study

It is at the convergence of tourism, destination and marketing that this study emerges. Specifically, the purpose of this research is to review Sri Lanka as an international tourist destination and its current tourism marketing activities to investigate the proper use of marketing efforts, and to suggest guidelines for future destination marketing strategies. In order to achieve these goals, this research will fulfil the following objectives;

- Identify the marketing fundamentals of a destination in the very competitive environment and to demonstrate the crucial role of the Destination Management Organizations (DMO) in using the most effective tools for successful destination marketing.
- Develop effective management and marketing tools for Sri Lanka to reinforce destination competitiveness as an international tourist destination
- Suggest strategic approaches for restructuring tourism and to obtain proactive support of intermediaries and other stakeholders.

1.3 Research Problem

In Sri Lanka, the tourism industry is a foundation of the nation's economy, its fourth largest source of foreign exchange (2006: revenues US \$ 450 million, arrivals 559,603) and a major employer. However, over the last two decades, international tourist arrivals and tourism receipts in Sri Lanka have been reducing; as compared to world averages and those among rival destinations in Asia. The continuing civil conflict had much to do with this trend, but of parallel importance were structural issues pertaining to the type of product, services and facilities offered to tourists visiting the country.

From sandy and sun-drenched beaches to the cool calmness of the tea gardens in the hills, from wildlife parks to the tropical rain forests, from fresh water lakes to picturesque waterfalls, from majestic ancient monuments to sacred religious sites, Sri Lanka has an impressive array of tourist attractions to cater to the varied tastes of everybody. The range of activities and attractions available to tourists are also exciting and numerous. Sun bathing, boating, bird-watching, deep sea fishing, white water rafting, scuba diving, wild safaris,

colourful festivals, cultural and fashion shows, musical events, Ayurvedic herbal treatment, exotic food & tea tasting and the list could go on and on.

In the past, Sri Lanka's main tourism product was a packaged beach holiday attracting a low-cost, low-value market segment. Current industry strategy is however focusing on value addition by catering to rich markets and offering specialized products such as Eco-tourism, MICE (Meetings, Incentive Travel, Conventions and Exhibitions), Adventure Tourism and Ayurveda/Spa tourism. Considerable investment has also been made in recent years on Boutique Resort Hotels catering to the more up-market clientele. In addition to improving and updating tourism product mix, the industry has taken key strategic initiatives such as modernizing industry organization and key institutions and reform the policy environment.

Given these events and other factors since its origin of tourism in Sri Lanka, little published research in tourism literature to date has addressed the problem of marketing the country as a competitive international tourist destination in any comprehensive manner. As such, this study attempts to find solution for unattended research problem of "how to market Sri Lanka as an international tourists' destination?" in a broad way.

1.4 Research Questions

After the research problem has been defined, it is necessary to break it down into components that can be addressed separately. To find the answers to each component of the problem, it is essential that a set of specific questions be formulated that capture the essence of the part or component. These specific questions are called research questions (Malhotra N. K. 2005).

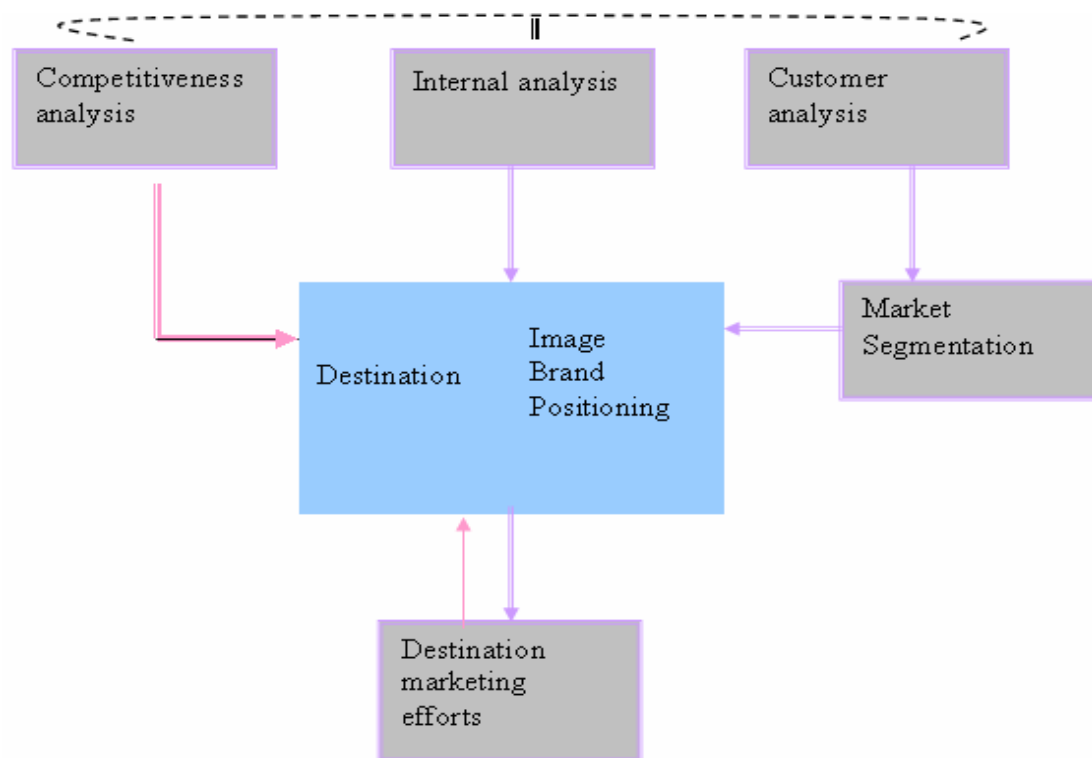
Questions of the research will be:

1. What are the factors affecting destination competitiveness of Sri Lanka?
2. How internal analysis, competitiveness analysis and customer analysis can link to destination image creation, brand building, destination positioning and destination marketing strategies?
3. Has Sri Lanka destination brand developed properly?
4. What is the tourists' image on Sri Lanka?
5. Has Sri Lanka positioned in the international tourists market properly?
6. What are the market segments that exist for Sri Lanka?
7. How should Sri Lanka develop its destination marketing mix?

1.5 Conceptual framework

A conceptual framework portrays the relationships and the type of relationships among the concepts. The conceptual framework depicted in figure.1 illustrates the relevant concepts in this study, and the type of relationship between the concepts.

Figure 1.1 Conceptual framework of the study



Moreover, Figure.1 explains an analytical model in a graphical representation based on some theoretical foundations. Thus, note that the analytical model is developed from the theoretic base of the research.

International Tourism Marketing (ITM) model can be viewed as a system beginning with three essential appraisals namely, competitive analysis, internal analysis and customer analysis. The model does not assume these analyses are interdependent. Interactions can be best described by examining each subsystem and its relationship to the system and other components (see Figure 1.1). Rest of the pillars can be regarded as destination marketing strategic weapons, including market segmentation, destination branding, destination image building, destination competitive positioning and destination marketing efforts. Through a sound marketing approach, the international tourism demand as discussed above, for a specific country can be created or stimulated for realization of tourism potential. As shown in Figure 1.1, the interrelations among competitive, internal and customer marketing

components of the proposed model will turn into clearer after introducing the marketing dynamics.

1.5.1 Definition of key concepts

Destination: The fundamental unit on which all the many complex dimensions of tourism are based (Terzibasoglu E., 2004)

Destination Competitiveness Analysis: Refers to the analysis of the ability of a destination to maintain its market position and share and/or to improve upon them through time (Hauteserre A M, 2000)

Destination Internal Analysis: Refers to process of exploring the current state of destination, and recognizing where the performance gaps lie.

Customer Analysis: Refers to the process of examining the current and potential customer profile for a particular tourist destination.

Market Segmentation: Market segmentation is a technique used to divide a heterogeneous market into homogeneous sub-groups (Kotler P., Armstrong G., 2002)

Destination Image: The *image* is the cluster of all perceptions the customers hold for that destination (Terzibasoglu E., 2004).

Destination Brand: The *brand* is the abstract of the destination's identity, the way the destination wants to project itself in the market and be recognized. Brand is a promise, anticipation and an expectation (Terzibasoglu E., 2004).

Destination Positioning: The positioning of a destination is the process of establishing a distinctive place of that destination in the minds of potential visitors (Gartner, 1989). Destination's position in the market is how a destination is perceived by actual and potential visitors in terms of the experiences it provides relative to competing destinations (Terzibasoglu E., 2004).

Marketing efforts: Tourism marketing depends upon a well-planned program involving the marketing strategies for the product of destination. In this respect, international tourism

marketing effort embraces product, price, promotion, distribution, people and partnership strategies for purposes of this study.

1.6 Significance of the Study

Most tourism studies simply apply general marketing principles and approaches to the tourism sector without considering the sector-specific characteristics. Although general marketing concepts are universal, situational characteristics may require unique approaches. This paper, unlike most of the previous studies, attempts to address sector-specific marketing issues and offer a comprehensive, unified, alternative model.

This study was undertaken to measure the attitudes of foreign tourists, host community and destination marketing organizations and assess their marketing implications. Although a lot of literature exists on destination marketing hardly any study has been conducted in Sri Lanka. The studies conducted in other countries cannot be applied directly to Sri Lanka because of its entirely different social structure and environment.

Most of the destination marketing literature that exists focuses either on the demand side or the supply side and hardly any study has been conducted with a dual perspective. Since both sides are important (they may or may not be equally important), this study covers both supply and demand.

1.7 Outline of the Study

In order to boost the knowledge in the field of destination marketing, this study carried out an extensive literature study on the chosen variables presented in the figure 1. This is as an exploratory study of secondary data in the field been published and produced for other purposes than those of this specific research. Around 70 articles, books and websites have been reviewed in this section. Those will be used to get an understanding on how to use primary data collected by the researcher for the specific study at hand. The literature review was narrowed down to present a conceptual framework (figure 1) relevant to the study and is presented in chapter two.

Chapter three describes and explains research methodology of the study. Section explains the research approaches, sampling methods, research instruments and data analysis techniques used for the study. The chapter is concluded with a section evaluating research methodology and discussing the trustworthiness of our study.

Chapter four presents the destination profile in concern and this will be mostly tied with the concept of internal analysis as in the conceptual framework. This will discover the destination three major pillars attractions, hospitality services and transportation with comprehensive analysis of the tourism industry in Sri Lanka.

Chapter five presents a deeper analysis and discussion on primary data regarding the destination marketing and the interactions that occur among the variables of the conceptual model are. This study will utilize the conceptual model that is called the “generic destination marketing model” and carried out the discussion around this model in order to show the role of each variable in creation and development of international tourist demand and tourists satisfaction.

Chapter six summarizes and concludes findings and proposes managerial implications and suggestions for further research.

1.8 Limitations of the study

A number of limitations should be acknowledged here as reference for future research.

- The survey was conducted over a period of two months, which permitted only tourists who are arriving between February and March to be surveyed. Therefore, the respondents' views would only be represented only by those of a particular set of tourists and will not be representative of year round tourism.
- The international tourists' survey was limited to the tourists currently visiting the destination and those who previously visited and excluded the potential tourists. Thus, the finding of the survey will not represent the potential visitors' contribution.
- Although the majority of tourists to Sri Lanka come from India, the study sample represents only a few of them. This happened due to the fact that Indians were quite hard to recognize from the host community and domestic travellers since all of them are similar in appearance.

Chapter 2: Literature Review

In order to present the underlying theoretical and methodological rationale for this study, the thesis now turns to an examine literature on tourism, marketing, and destination marketing.

The purpose of this chapter is to review the relevant streams of literature useful as a background for an empirical study of destination marketing. Each section will conclude with a specific set of variables that will be investigated in Sri Lanka. The list of theories examined in the chapter is depicted in the table 2.1. Each sub-section in this chapter will cover a variable in the conceptual framework (figure 1) of the study. Theories outlined in the table will be explored through extensive review of books, journal articles and web pages. Each of the theories used in this chapter will be used to analyse the data in chapter four & five. Moreover they will be used to draw conclusions and suggestions at the end of the thesis.

Table 2.1: List of Theories in the Study

Section	Sequence Number	Theory
2.1	Theory 1	Destination Competitiveness Analysis
2.2	Theory 2	Destination Internal Analysis
2.3	Theory 3	Customer Analysis and Market Segmentation
2.4	Theory 4	Destination Image
2.5	Theory 5	Destination Branding
2.6	Theory 6	Destination Positioning
2.7	Theory 7	Destination Marketing Efforts

2.1 Destination Competitiveness Analysis

Section	Number	Theory
2.1	Theory 1	Destination Competitiveness Analysis
2.2	Theory 2	Destination Internal analysis
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2.6	Theory 6	Destination Positioning
2.7	Theory 7	Destination Marketing Efforts

Success in the market place depends not only on the ability to identify customer needs but also upon the ability to be able to satisfy and cater to those needs better than other competitors (Proctor, Tony, 2000). In the context of steadily increasing competitive pressures from globalisation over the past two decades, many developing countries are today in the throes of a new wave of debate on how to design a renewed strategy for “competitiveness” (Reardon T, Flores L, 2006). International competitiveness has become a necessary condition for any modern, dynamic economy (Sugden, Roger, 1996) therefore; competitiveness of different tourist destinations has become a popular topic among the researches (e.g. Briguglio and Vella 1995; Edwards 1993, Tanja Mihalic 2000). It indicates that competitive destination analysis has not received widespread recognition in the tourism literature (Pearce 1997). The foundations for competitiveness measures are built on the economic theories of exchange, supply and demand, unit total cost (or unit labour costs) and market behaviour, and may be used to define competitiveness in one of the following ways (Artto, 1987):

1. Cost-competitiveness—the most common measure, based on unit labour costs.
2. Price-competitiveness—measured with relative export prices.
3. Non-price competitiveness—based on cost and price competitiveness measures.

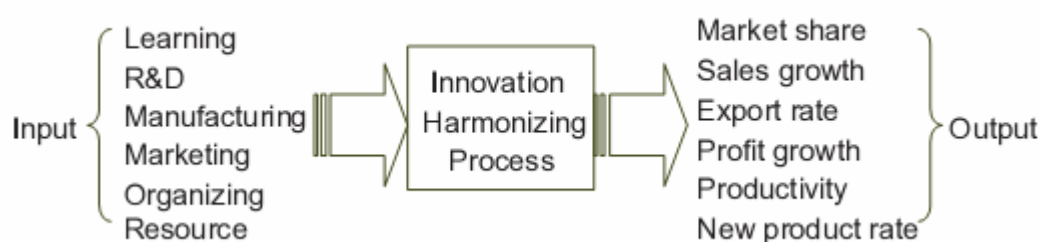
(Zanakis S H, Fernandez I B, 2005)

Reardon T, and Flores L (2006) categorizes competitiveness strategies in developing regions into two categories, what we will simply call the “traditional” and the “modern” approaches. According to them, the “traditional” approach is to seek primarily “cost competitiveness”, focused on: (1) The most “traditional” concern, reducing costs of production, through greater farm and process or productivity, and (2) what can be called a “neo-traditional” concern, reducing the costs of transactions. The “modern” approach is to accord attention to cost

competitiveness, but go beyond that by enabling economic actors to respond to changing incentives and conditions in the market. It is reasonable to view this as growing out of the “neo-traditional” concern for transaction costs above, augmented by business and organizational analysis perspectives emphasizing the building of capacity, of micro and macro level resources (through training and education and sectoral market intelligence), and the building of institutions, such as clusters and networks, to increase general flexibility of response and create positive externalities, economies of agglomeration and coordination, and so on.

Guan J C et al (2006) present that the technological innovation capability will individually or jointly affect competitiveness performance as shown in Figure 2.1.

Figure 2.1 Input–output system of competitiveness evaluation.



Source: Guan J C et al, 2006

Jaffe et al. (1995) lists several indicators of competitiveness of a country, such as net exports, share in world production, and the amount of foreign direct investment (FDI) a country receives. Although financial indicators such as return on investment and return on assets are the conventional proxies of competitiveness, several non-financial performance indicators are also important. Non-financial performance indicators that are widely used include overall customer satisfaction, market share, market share growth, overall competitiveness, sales volume, sales growth, overall plant success and productivity (Sirikrai S B, Tang J C S, 2006). Tourism is considered as a service industry consisting of several types of product and services. Industrial competitiveness is an important issue for countries pursuing export oriented industrialization policies (Sirikrai S B, Tang J C S, 2006). In recent years, tourism has become a highly competitive and faster growing market. Hence it is vital that destinations are able to measure their competitiveness in order to identify their opportunities, threats and risks, market trends, strengths and weaknesses and thereby develop their future strategies.

Competitiveness as a tourist destination can be defined as ‘the ability of a destination to maintain its market position and share and/or to improve upon them through time’ (Hauteserre A M, 2000). To some extent competitiveness also means an extended product lifetime as defined by Butler (1980), a postponed decline. It recognizes that to succeed, destinations must ensure that their overall attractiveness, and the integrity of the experiences they deliver to visitors, must equal or surpass that of the many alternative destination experiences open to potential visitors (Crouch G I, Ritchie J R B, 1999)

Destinations compete primarily for economic reasons, with an emphasis on attracting tourist expenditure; other motives may also underlie tourism development. When evaluating the competitiveness of tourist destination there is a need to establish which destination are in a direct competition. Destination competitiveness can be evaluated both quantitatively and qualitatively (Kozak M, Rimmington M, 1999).

Poon and Auliana (1993) suggest four “key principles” that destinations will need to follow if they are to be competitive:

1. put the environment first,
2. make tourism a lead sector,
3. strengthen the distribution channels in the market place, and
4. build a dynamic private sector.

Mihalic T (2000) concludes that destination environmental competitiveness can be increased by proper managerial efforts in the field of environmental impact and environmental quality management. He further argues in addition to environmental managerial efforts, the destination competitiveness can be enhanced through certain environmental marketing activities. Competitiveness requires attention not just to the physical environment of the destination.

2.1.1 Factors Affecting Destination Competitiveness

A large number of factors appear to be influenced to notion of destination competitiveness. Crouch G I and Ritchie J.R.B (1999) in developing their model of destination competitiveness, as in Figure.1 present the importance of recognizing that the field of tourism is constantly influenced by a range of major global forces. Users of the model must always

keep in mind that both the micro and macro environments that so strongly influence destination competitiveness are in a constant state of change and evolution.

Michael J. Enright, James Newton (2004) identify separate factors affecting destination competition in line with attractors and business related factors. Particular they have demonstrated the value of including business-related factors as well as the more conventional destination image or attractiveness factors in studies of tourism competitiveness.

Gooroochurn N and Sugiyarto G (2004) distinguishes eight factors affecting tourism competitiveness, which are provided for over 200 countries' published data, enabling specific and comparative analyses of the tourism industry to be undertaken. The eight main themes are price competitiveness, infrastructure development, environmental quality, technology advancement, human resources, openness level, social development and human tourism indicator. Each theme consists of a set of variables chosen to represent each factor as is shown in the figure 2.2. According to their findings the multi-thematic CM is an important tool for making comparison across countries and identifying specific strengths and weaknesses of destinations. Figure 2.3 highlights the factors used to develop the destination competitiveness index.

2.1.2 Why Destination Should Measure The Competitiveness?

It is useful to have a destination competitiveness index to summarize and compare competitiveness of destinations. Keller and Smeral (1997) list some of the reasons for measuring and assessing the factors, which influence destination competitiveness. They can be mentioned as:

- Emergence of new tourist destinations
- Increasing impact of tour operators and media on the market
- Increased knowledge and experiences of tourists and
- Increasing environmental quality concerns of Both tour operators and tourists

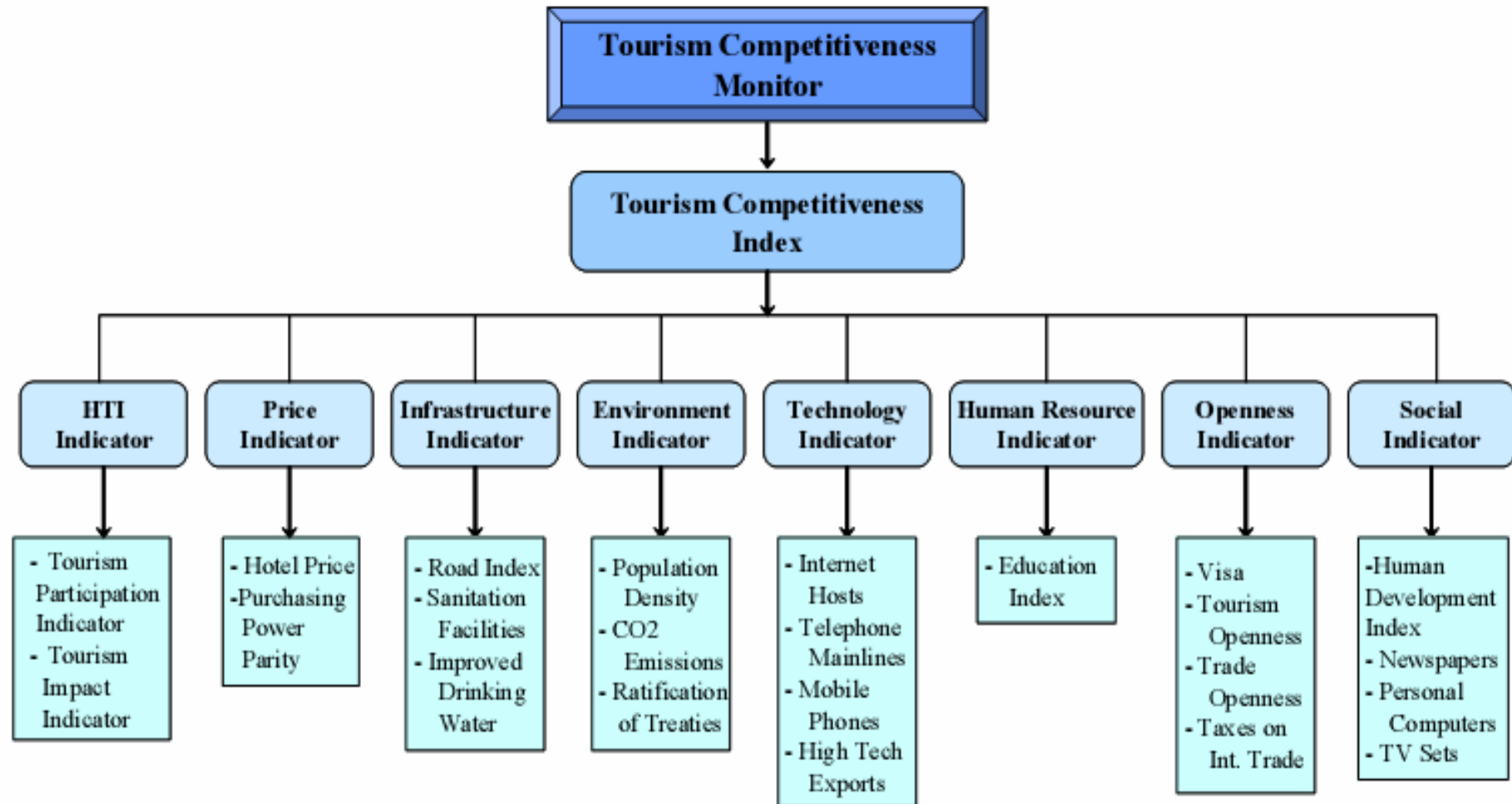
Measuring global tourism competitiveness is becoming increasingly important since competition from emerging tourist destinations and the changing tastes of tourists, who are now more informed and harder to satisfy, are posing a challenge to traditional tourist destinations (Gooroochurn N and Sugiyarto G, 2004)

Figure 2.2: Crouch's and Ritchie's Model of Destination Competitiveness



Source: Crouch G I and Ritchie J.R.B, 1999

Figure 2.3: Structure of the Tourism Competitiveness Monitor



Source: Gooroochurn N and Sugiyarto G., 2004

2.2 Destination

Internal analysis

Section	Number	Theory
2.1	Theory 1	Destination Competitiveness Analysis
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2.7	Theory 7	Destination Marketing Efforts

The tourism industry focuses on meeting the needs and expectations of visitors. To do this it needs to follow the four functions of management (planning, coordination, leading and controlling) internally, and to undertake such procedures strategically in light of its task and general environments as well as its internal circumstances (Murphy, Peter E. 2004). An analysis of the internal environment is crucial in determining the factors, which have a direct impact and/or might influence the strategic direction of a tourist destination. A number of different concepts can be used to analyse the internal environment in an attempt to identify those factors, which might have an impact upon the destination, both in terms of being strength or weakness. Internal analysis in the organizational context refers to self-analysis of organization in terms of structure, resources, and culture. Internal analysis explores the current state of your business, including where the performance gaps lie (Formisano, Roger, 2003)

There can be many general factors that can potentially encourage or discourage tourist traffic to any particular destination. Authors on tourism distinguish them into two as pull and push factors. These pull factors are focused on the supply side of tourism. Weaver & Lawton (2002) give some examples of pull factors: geographical proximity to markets, accessibility to markets, availability of attractions, cultural links, availability of services, affordability, peace and stability, positive market image and the pro-tourism policies. The combination and relative importance of individual factors will vary from one destination to another. Mathieson & Wall (1984) also argue that the characteristics of potential destinations play an important role in the final choice of the destination. They state that the following points have impact on the tourist's choice of a destination:

- **Environmental features and processes:** These include for instance, what kind of natural resources the destination has (mountains, lakes, sea), amount of sunshine, the types of animals, temperature and other environmental processes.
- **Economic structure:** This includes among other things the level of economic development and the diversity of the economic base. **Political organization:** The political structure of the destination is essential.
- **Factors such as existence of capitalism or socialist principles:** incentives and constraints; the roles of national, regional and local tourist organizations have an influence on tourists.
- **Level of tourist development:** This encompasses the level of local involvement in tourism, nature and diversity of attractions, types and quality of accommodation the destination has to offer; activities, and eating facilities.
- **Social structure and organization:** This category includes factors such as the demographic profile of the host population, the strength of local culture and the levels of health and safety. In addition for some tourist things like, religion, women in work- force and moral conducts have an enormous effect on the decision about the choice of the final destination. Perceptions, attitudes and values towards language, traditions and gastronomic practices affect on the decision as well.

O'Connor, Darren (2000) recognize the value chain and Core competence developed in the late 1980s and early 1990s as two tools which have filled the need for a comprehensive but practical approach to internal analysis. Melian A. et al (2003) believe the resource-based approach (RBA) as a suitable theoretical framework for investigation of the subject. Some of the authors stress the importance of stakeholder analysis while doing the internal analysis. The resource-based view (RBV) seeks to explore the internal resources of an organization and how these can be leveraged to gain a competitive advantage. An analysis of an organization's resources can include its financial, physical, human, intellectual and reputation resources. In the deployment of these resources, it is also important to understand the competences and core competences of an organization (Dale C. 2005). Porter's (1985) value chain concept is an important part of this process. The following resources highlight material pertaining to the resource-based view and the analysis of competences and core competences and their application to the tourism industry.

Flagstead A. and Hope C. (2001) presents an alternative application of Porter's (1985) value chain and its application to the tourism industry are presented. The authors forward the notion

of the ‘value fan’ and apply this to the context of a winter sports destination. In order to build a conceptual model of a destination for strategic analysis it is necessary to define the discrete value-creating activities of the destination production process (Flagstead A. and Hope C. 2001 p.). Porter's value chain (Porter, 1985) has been widely used as a framework for disaggregating the firm into important elements of the value creation process. Porter claims the value chain is valid for all kinds of industries. Flagstead A. and Hope C. (2001) list discrete activities, in the context of a winter sports tourist destination and they are presented in Table 2.2.

Table 2.2: Characteristics of Activities, Resources and Capabilities in the Destination Value Creation Process

Disaggregating of activities, resources and capabilities in the destination for analysis of category related to the value	Category of activity in the destination value configuration the value fan	
	Primary activity	Support activity
Service providers private (hotels, ski lifts, etc) and public (medical, security, PTT, transport, etc)	X	
Collective services (image building, marketing, information)		X
Touristy infrastructure (Local transport, destination statistics, research, training, quality systems, etc)		X
Comparative advantage (snow condition, topography, scenery, climate, etc)		X
Environmental management (ecology, culture, social structure)		X
Configuration management (of the destination tourism product)		X
Cluster/alliances/relations		X

Source: Flagstead A. and Hope C., 2001

In the travel and tourism industry there are three main pillars to be addresses when internal analysis is taking place. Those include hospitality services, visitor attractions and transportations. Hospitality services three branches can be identified as proposed by

Ninemeier J. D. and Perdue J. (2005) namely accommodation, food services and other hospitality operations.

2.3 Customer Analysis and Market Segmentation

Section	Number	Theory
2.1	Theory 1	Destination Competitiveness Analysis
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2.3	Theory 3	Customer Analysis and Market Segmentation
2.4	Theory 4	Destination Image
2.5	Theory 5	Destination Branding
2.6	Theory 6	Destination Positioning
2.7	Theory 7	Destination Marketing Efforts

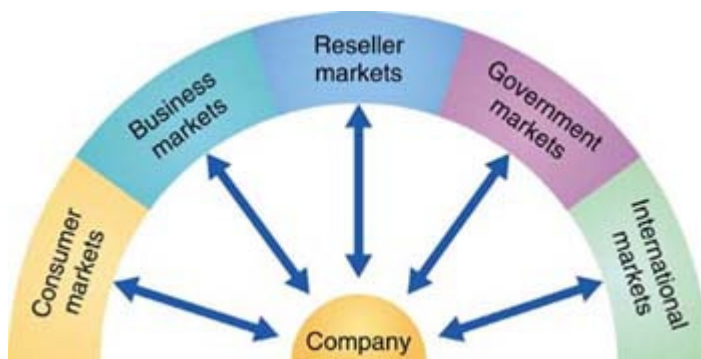
Market analysis builds on customer and competitor analysis to allow strategic judgments to be made about a market and its dynamics. One of the primary objectives of a market analysis is to assess its prospects for participants. Another key purpose of market analysis is to understand the dynamics of the market. One needs to identify emerging key success factors, trends, threats and opportunities and to develop strategic questions that can guide information gathering and analysis (Proctor, Tony 2000)

The marketers need to study its customer markets intimately. According to Kotler P., Armstrong G (2002) there are five types of customer markets (see Figure 2.4). Consumer markets consist of individuals and households that buy goods and services for personal consumption. Business markets buy goods and services for further processing or for use in their production process, whereas reseller markets buy goods and services to resell at a profit. Government markets are made up of government agencies that buy goods and services to produce public services or transfer the goods and services to others who need them. Finally, international markets consist of these buyers in other countries, including consumers, producers, resellers, and governments (Kotler P., Armstrong G, 2002). Customer analysis can be defined as the process of examining and evaluating of consumer needs, desires, and wants and the process involves administering customer surveys, analysing consumer information, evaluating market positioning strategies, developing customer profiles, and determining optimal market segmentation strategies (David F.,). Unmet customer needs are at the heart of business ideas and the development of business strategy (Formisano, Roger. 2003)

According to Formisano and Roger (2003) there are six inquiries to be addressed in order to build a customer information database. They are:

1. Who are our customers?
2. Why do they buy from us?
3. Who buys from competitors?
4. Why do some buy from competitors?
5. Can we meet the needs of those buying from competitors, without sacrificing value to our customers?
6. What else can we do for our customers to create value for them and for ourselves?

Figure 2.4: Types of Customer Markets



Source: Kotler P., Armstrong G, 2002

Additionally it is important to address the level of customer satisfaction and loyalty as, what is the current level of your customer's emotional loyalty to your company?

Travel researchers have done extremely well in the study of tourism market segmentation analyses have been especially influential in identifying segments deserving different levels of marketing treatment and developing strategies to target the identified markets (Lee G., 2006). Market segmentation is a technique used to divide a heterogeneous market into homogeneous sub-groups. It is based upon the idea that a market is composed of subgroups of people and that each subgroup has different, special needs and wants (Mok C., Iverson T.J., 2000). Market segmentation recognizes that people differ in different ways. It is a deliberate policy of maximizing market demand by directing marketing efforts at significant sub-group of customers (Middleton V.T.C. and Clark J, 2004).

Kotler and Armstrong (1988) stated that market segment must exhibit the characteristics of

- measurability (the degree to which size and purchasing power of the segments can be measured);
- accessibility (the degree to which the resulting segments can be effectively reached and served);
- substitutability (the degree to which the resulting segments are large and/or profitable enough to be worth considering for separate marketing attention; and
- actionability (the degree to which elective programs can be formulated for attracting and serving the segments

In addition to Kotler and Armstrong's list, Morrison (2002) added five more criteria for effective segmentation; homogeneity, defensibility, competitiveness, durability, and compatibility.

Various tools; such as trip purpose, demographic, geographic, psychographic, behavioural, and benefit segmentation techniques have extensively used in the travel and tourism segmentation studies (Lee G., 2006). Middleton V.T.C. and Clark J. (2004) stress seven main methods in travel and tourism segmentation. They are:

1. Purpose of travel
2. buyer needs, motivations and benefits sought
3. Buyer behaviour/characteristics of product usage
4. Demographic, economic and geographic profile
5. Psychographic profile
6. Geo-demographic profile and
7. Price

There is no single way to segment the market. A marketer has to try different segmentation variables, singly and in combination, hoping to find an insightful way to view the market structure (Kotler P., 1984)

Mok C. and Iverson T.J., (2000) recognize that segmenting visitors based on travel expenditures as a useful alternative to the more common approach of segmenting on the basis of travel activities. They segment the travel and tourism market into three major segments as;

1. heavy spenders
2. medium spenders and

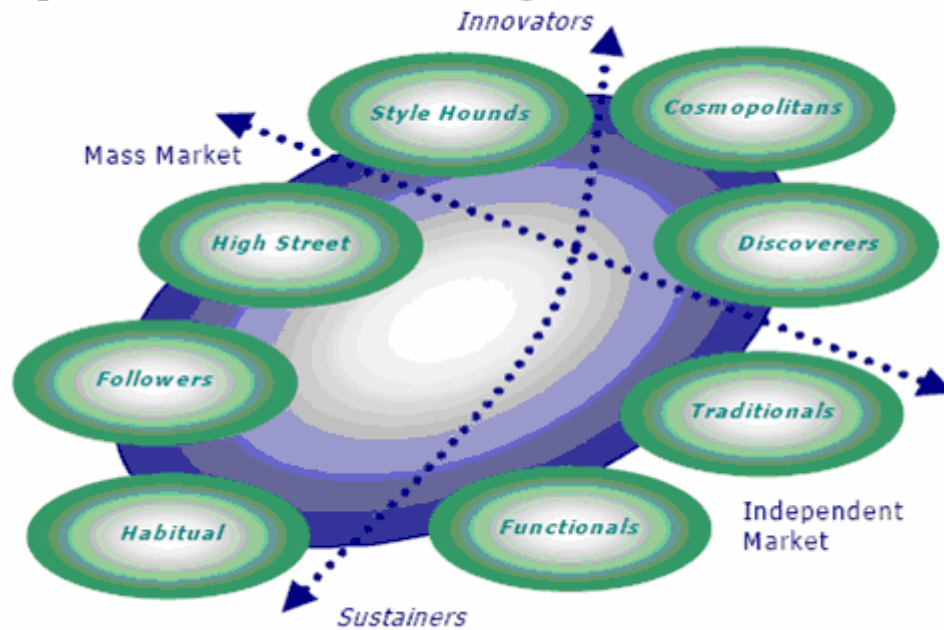
3. light spender

The heavy spenders had significantly higher expenditure levels in most categories than the other two segments and they were distinguishable by demographic characteristics, trip purpose, and travel behaviour

Cohen (1972,) identifies two groups of tourists - institutionalised (including "organized mass tourists" and "individual mass tourists") and non-institutionalised (which includes "the explorer" and "the drifter"). Institutionalised tourists are those, which desire comfort and safety and rely heavily upon the tourism industry, whereas non-institutionalised tourists are those, which prefer to follow their own path and have little contact with the tourism industry. In 1979, Cohen amended his typology, and defined two groups of tourists - those who "search for pleasure" and those who undertake a "modern pilgrimage." Pleasure-seeking tourists include the recreational tourist, who simply desires "entertainment and relaxation" and the diversionary tourist, who wishes to "escape the routine of everyday life." Modern pilgrimage tourists encompass three different typologies: the experiential tourist who "seeks an authentic experience... but does not totally identify with the foreign culture;" the experimental tourist who wishes to "seek an alternative lifestyle but does not become totally immersed in a foreign culture;" and the existential tourist who becomes totally "immersed in the foreign culture."

A typology based upon tourists' personalities was developed by Plog (1972). The three personalities, including psychocentrics, mid-centrics, and allocentrics, are located on a continuum similar to bell-curve. Psychocentrics are "anxious, somewhat inhibited, non-adventuresome, inner-focused and classified by their lower income levels." This typology is located at one end of the continuum. At the other end of the continuum are allocentrics, characterized as adventurous, self-confident, and curious, outgoing and having higher income levels. Mid-centrics, those who travel "for relaxation and pleasure, or the need for a change" make up the middle of the continuum, and are the largest in number.

Figure 2.5 : **Ark Leisure Consumer Segmentation model**



Source: Locum Consulting, 2006

Figure 2.6 : **SE Destination Map based on CAMEO segmentation**



Source: Locum Consulting, 2006

Over the summer of 2005, 5,000 surveys of domestic staying visitors were undertaken in 22 destinations across Britain by Locum Consulting (2006). The results were segmented using two models. The first was CAMEO (see figure 2.6), which classifies postcode segments according to their socio-economic status. The second was the Ark Leisure model (Figure 2.5),

which was developed on behalf of Visit Britain. It divides consumers into eight groups based on values and behaviour specifically relating to leisure activity and holidays.

Segmentation in rapidly changing environment is a dynamic process. New segments emerge as older ones disappear or are no longer viable as a result of market change. At any point in time most organizations in travel and tourism will be dealing with a portfolio of several segments (Middleton V.T.C., Clark J, 2004).

2.4 Destination Image

Section	Number	Theory
2.1	Theory 1	Destination Competitiveness Analysis
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2.7	Theory 7	Destination Marketing Efforts

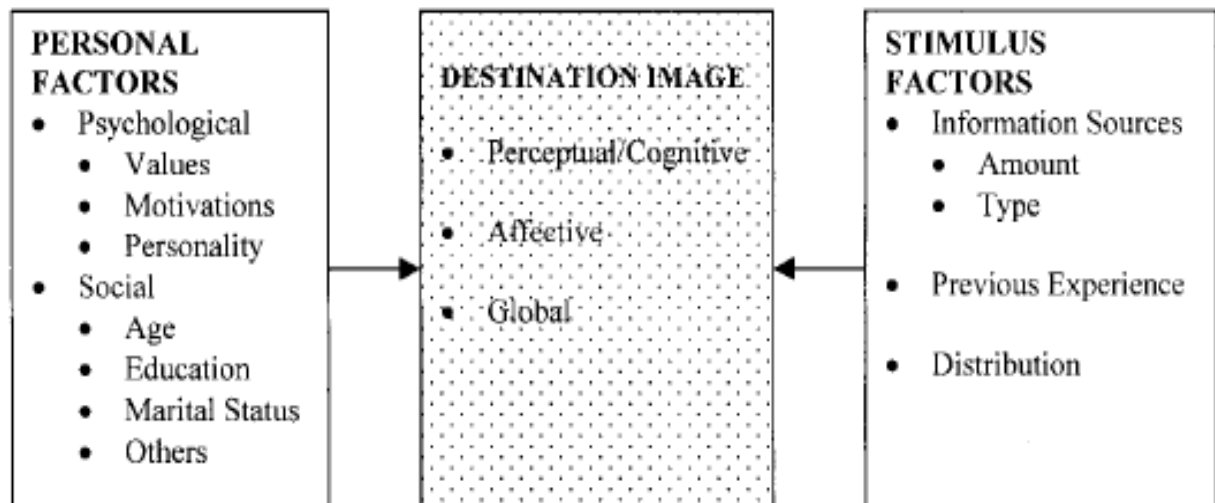
Destination marketers need a better understanding of how an image is formed and what determines the process (Baloglu S. and McCleary K. W. 1999). Studies on destination image began in the early 1970s, when Hunt's (1975) influential work examined the role of image in tourism development (Pike S., 2002). Destination image is defined as an attitudinal concept consisting of the sum of beliefs, ideas and impressions that a tourist holds of a destination (Crompton, 1979). It is a mental representation of an object or place, which is not physically before the observer (Fridgen 1987). Assael (1984) defined image as a total perception of a product that is formed by processing information from various sources over time.

Pike S. (2002) reviewed a total of 142 destination image papers from literature during the period 1973–2000. According to him relatively few papers attempted to measure the destination image for any specific travel context. The most popular region for study was North America. This was followed by UK/Europe, Asia, Australasia, Africa, Central America/Caribbean, South Pacific and South America. Over half the papers measured the perceptions of only one destination, without a frame of reference to any competing destination. The most popular type of destination of interest was countries. The majority of

papers used, structured techniques to investigate the destination image construct. Significant number of papers reported the use of qualitative methods, involving consumers, at any stage of the research. The most popular data analysis technique was factor analysis.

Brand image is a key component of brand loyalty and brand positioning. It is a multi-dimensional construct comprising of two primary dimensions: cognitive and affective. The cognitive component can be interpreted as beliefs and knowledge about the physical attributes of a destination, while the affective component refers to the appraisal of the affective quality of feelings towards the attributes and the surrounding environments (Baloglu and McCleary, 1999). A common agreement is that this depends on a cognitive evaluation of objects and the affective responses are formed as a function of the cognitive responses. An overall image of a place is formed as a result of both perceptual/cognitive and affective evaluations of that place (Baloglu S., McCleary K. W. 1999).

Figure 2.7: A General Framework of Destination Image Formation

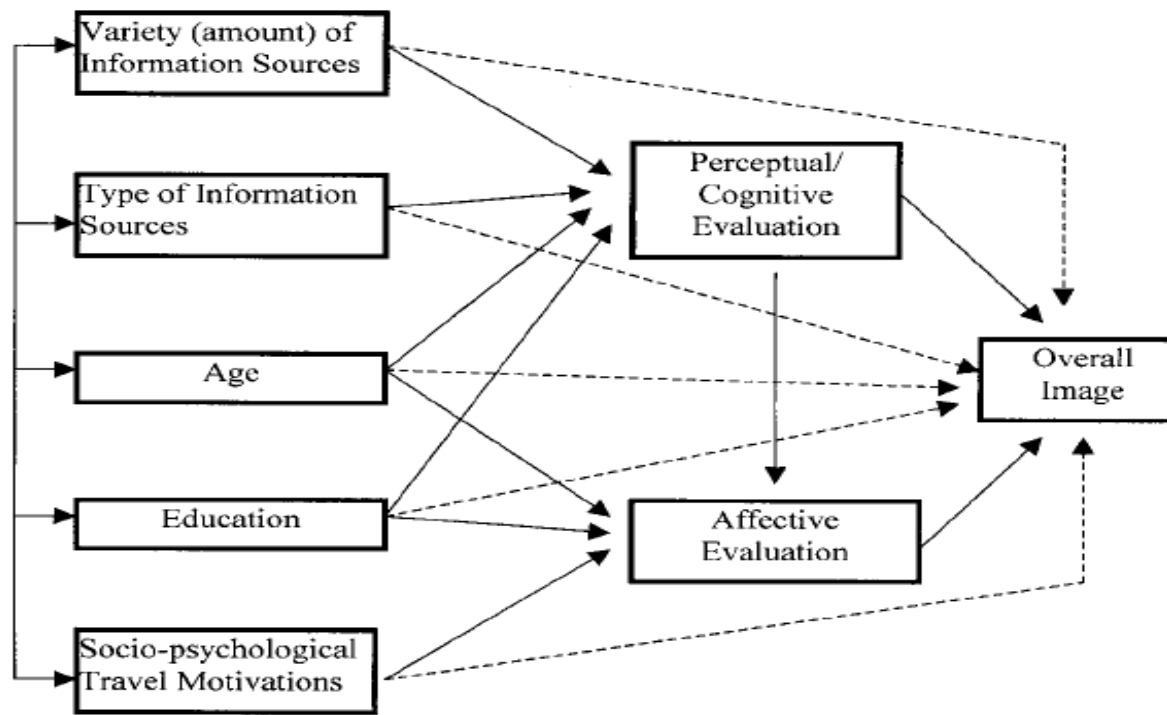


Source: Baloglu S. and McCleary K. W., 1999

Figure 2.7 presents a general framework of destination image formation developed by Baloglu S. and McCleary K. W. (1999) as of previous literature. They further developed a model which exemplify how perceptual/cognitive and affective evaluations form and how they affect to the overall destination image as in the **Figure. 6**. Their findings reveal the overall pattern of the model and indicated that variety (amount) of information sources, type of information sources, age, and education influence perceptual/cognitive evaluations. These and socio psychological tourism motivations are together influence affect. However, the

effects of perceptual/cognitive evaluations on affect were much stronger than the effects of travel motivations.

Figure 2.8: Path Model of the Determinants of Tourism Destination Image before Actual Visitation



Source: Baloglu S. and McCleary K. W. 1999

Beerli A. and Martin J. D. (2004) following a review of the attractions and attributes summarize and classified all factors influencing the image assessments into nine dimensions as in table 2.3

Table 2.3: Dimensions/Attributes Determining the Perceived Destination Image

Natural Resources	General Infrastructure	Tourist Infrastructure
Weather	Development and quality of roads, airports and ports	Hotel and self-catering accommodation
Temperature	Private and public transport facilities	Number of beds
Rainfall	Development of health services	Categories
Humidity	Development of telecommunications	Quality
Hours of sunshine	Development of commercial infrastructures	Restaurants
Beaches	Extent of building development	Number
Quality of seawater		Categories
Sandy or rocky beaches		Quality
Length of the beaches		Bars, discotheques and clubs
Overcrowding of beaches		Ease of access to destination
Wealth of countryside		Excursions at the destination
Protected nature reserves		Tourist centers
Lakes, mountains, deserts, etc.		Network of tourist information
Variety and uniqueness of flora and fauna		
Tourist Leisure and Recreation	Culture, History and Art	Political and Economic Factors
Theme parks	Museums, historical buildings, monuments, etc.	Political stability
Entertainment and sports activities	Festival, concerts, etc.	Political tendencies
Golf, fishing, hunting, skiing, scuba diving, etc.	Handicraft	Economic development
Water parks	Gastronomy	Safety
Zoos	Folklore	Crime rate
Trekking	Religion	Terrorist attacks
Adventure activities	Customs and ways of life	Prices
Casinos		
Night life		
Shopping		
Natural Environment	Social Environment	Atmosphere of the Place
Beauty of the scenery	Hospitality and friendliness of the local residents	Luxurious
Attractiveness of the cities and towns	Underprivilege and poverty	Fashionable
Cleanliness	Quality of life	Place with a good reputation
Overcrowding	Language barriers	Family-oriented destination
Air and noise pollution		Exotic
Traffic congestion		Mystic
		Relaxing
		Stressful
		Fun, enjoyable
		Pleasant
		Boring
		Attractive or interesting

Source: Beerli A., and Martin J. D. 2004

2.5 Destination Branding

Section	Number	Theory
2.1	Theory 1	Destination Competitiveness Analysis
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Branding is perhaps the most powerful marketing weapon available to contemporary destination marketers (Morgan N et al 2004) and possibly an extremely complex and highly political activity that can enhance a nation's economy, national self-image and identity (Morgan et al., 2004). A destination brand act almost like a manufacturer's brand, providing an umbrella of trust, a guarantee of quality and it helps to differentiate one destination from the rest of competing destinations, to create destination identification and brand awareness and to help with promotion of destination. According to Park S Y and Petrick J F (2006) the main reason for practicing destination branding was similar across Scotland, Singapore, Hawaii, Missouri, Oregon, Texas, Wisconsin, and Utah and they are: to build a desirable image that can attract tourists; to differentiate one's destination from competitors and position it to attract higher spending tourists; to manage image; and to make one's destination a better place to live by increasing the economic contribution of tourism. The Brand Western Australia Strategy, launched in 1996, was developed as a holistic package with a number of marketing and development strategies aimed at: maximizing market exposure servicing core tourism sectors, facilitating effective industry partnerships and developing industry product and infrastructure.

(<http://www.westernaustralia.com/en/Industry/Marketing+Opportunities/Brand+WA/Application+of+Brand+WA.htm>). The American Marketing Association defines brand as a 'name, term, sign, symbol or design, or combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition' (Kotler P and Gertner D., 2004). In a world of over six billion people living nearly 191 independent states while competing with other nations creating developing and maintaining a strategic brand for a nation to differentiate themselves from their competitive destinations becoming important and challenging than ever. Kotler P and Gertner D (2004) recognize

managing image, promoting tourists attraction, attracting factories, companies and talented people and to find the export market for the products of the country as major tasks of adopting strategic marketing and conscious branding strategy for a country. Although it is vital to develop an effective destination brand, literature on the branding of it is sparse (Cai L A, 2002). Country brand managers must understand that different places attract different tourists. To be successful in the tourism industry and destination branding a country must be very specific about what it wants to market and to whom (Kotler P and Gertner D. 2004). Tourist managers must undertake research o understand the values that tourists seek as users (performance, social and emotional values), as buyers (convince and personalization) and as payers (price and credit).

Table 2.4: Analysis of official tourism websites of 50 states in United States

Name of states	Slogan	Graphic/verbal image	Targeting market	Selling points -> branding
<i>Group 3: Unique attribute-focused</i>				
Arizona	“Grand canyon state”	Highway crossing desert/canyon	Hikers/desert adventure seekers travelers/outdoor recreationists	Outdoor recreation/nature wonders/ old west attractions/desert adventures-attractions/cacti gardens
Kentucky	“Heart of America”	NA	Not clear	Getaway— mini vacation, long weekend
Michigan	“Great lakes great times”	Lighthouse	Personalized vacation with variety experience	Summer golf capital: Snowmobiling; skiing; culture
Colorado	“Totally winteractive”	Mountains/skiers	Not clear	Snow Ski/Ecotourism sites
Montana	“Big sky country”	Natural scenes	Outdoor recreationist/wildlife watchers/sight-seeing tourists	Ski (rocky ski area)/wildlife watch/ cousin: Big sky-way cooking recipes/ ghost town tour/crystal lake/ canoeing/mountain bicycling
South Dakota	“Great faces, great places”	Great faces and mountains	Family vacationers/fun seekers/ getaway/active outdoor vacationers: “Vacation, it is not virtual, it is reality”	History/Great faces/American Indian culture—history/adventure history
Utah	No official state slogan, a catchphrase instead: “The greatest snow on earth”	Limited graphic imagery except Olympic promotions	Winter Olympic attendees	Ski/rafting/winter Olympic 2002: Salt lake 2002— Emblem “Contrast-Culture-Courage”

Source: Lee G et al (2006)

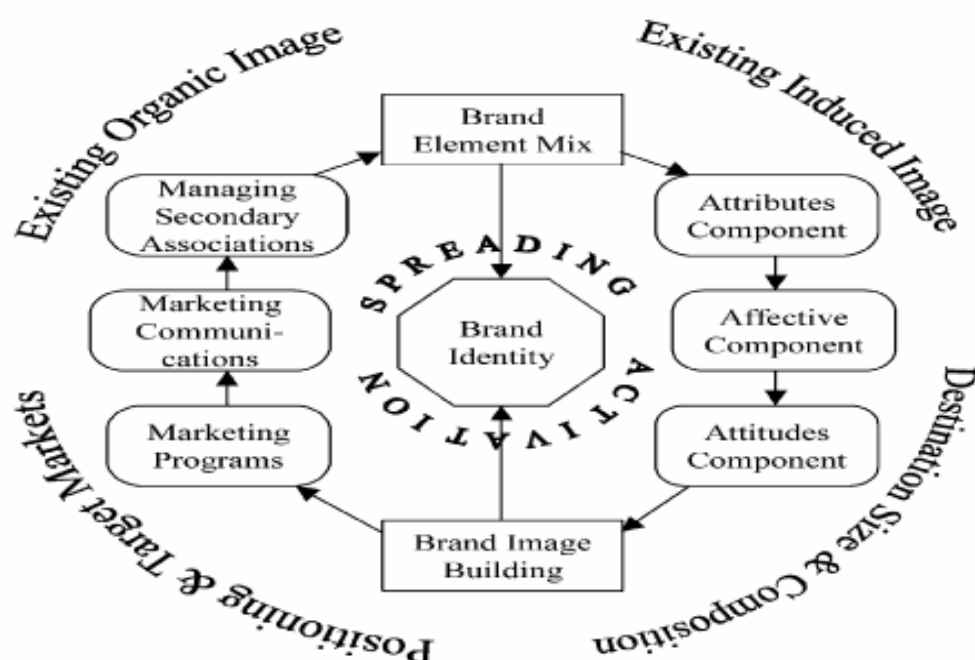
Morgan N et al (2004) identify different ways to develop destination brand such as; direct marketing, personnel selling, web sites and brochures, public and media relations and corporations, relationships and partnerships with destination marketing organizations, journalist and film makers. They further identify limited budgets, the lack of management control and internal and external pressures as major challengers of destination marketing. Using the common attributes that many destinations have will not be effective in marketing tourist destinations and searching something unique to a particular destination is critical to build a strong destination brand (for examples “the Vatican as the eternal city” and “Paris as

the romance city”). Whatever the attribute use in branding must be considered as a promise and it should also match with needs of the potential and served customers. To be prosperous in creating an emotional destination brand it must be: credible, deliverable, differentiating, conveying powerful ideas, enthusing for stakeholders and partners and resonating with the customers (Morgan N et al., 2004). Lee G et al (2006) different characteristics of United States different states’ destination brands by analysing respective states’ websites and slogans (see table 2.4).

Morgan N et al (2004) recognizes brand building as a five stage of process with sequence movements. They try to apply this process to destination branding that may also be equally applicable in other settings as well.

The study of Cai L A, (2002) proposed a conceptual model of destination branding (see figure 2.9). The model is recursive, centring on building destination identity through spreading activation, which results from dynamic linkages among brand element mix, image building, brand associations (attributes, affective, and attitudes 3As), and marketing activities. The model also specifies that spreading activation take place under the four conditions of existing organic image, existing induced image, destination size and composition, and positioning and target markets.

Figure 2.9: Destination Branding Model of Cai L A



Source: Cai L A, 2002

The process starts with carefully choosing one or more brand elements to serve as trademark able devices. These elements whether they are slogans or logos distinctly identify the destination and begin the formation of strong and consistent brand associations that reflect the attributes, affective, and attitudes components of an image.

Table 2.5: The Brand Elements of “Britain”

Signal	Essence of the Brand
Creative	Britain is a leader in creativity, in industries as disparate as architecture and popular culture
Leading	Scientific research and development
Innovative	Britain produces true innovations
Exporting	There are many products which generate enormous income for Britain
Strategic	London remains the leading financial centre in Europe and competes on equal terms with New York and Tokyo on a global scale
Invest in	Britain is a leading destination for high quality inward investment
Discovering	Britain is a leading tourist destination, with history and heritage being only part of our main attraction
Welcoming	The success, culturally and economically, of the Euro 96 tournament demonstrated Britain’s ability to stage global competitions
Diverse	The cultural diversity and mix in British culture contributes to our originality, creativity and cultural depth
Educating	Britain remains a leading destination for those wanting the highest level of education available
Popular	Events, music and popular culture
Made in	Many world class products are of British origin
Serving	British service companies provide a benchmark for the rest of the world
Team	Britain is a small Island but continues to generate big ideas
Skilled	British architects and quality of the workforce
Original	If Britain could be summed up in just one word it would be “Original”

Source: http://www.wolff-olins.com/britain/brit_content.htm

British Tourists Authority found three stages (Establishing core values for Britain's brands developing a brand-logo and build on the core values in all promotional work to be important) concerning the development of 'Branding Britain' (Nielsen L., http://www.ihis.aau.dk/turisme/studprojekter/Branding_Britain.html). In the brand development campaign for Britain (refer table 2.5) they have focused to build a brand like all leading brands, clear, strong, simple, inclusive for the whole of Britain and building on the areas in which it excels (http://www.wolffolins.com/britain/brit_content.htm).

2.6 Destination Positioning

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Positioning strategy is concerned with creating and maintaining distinctive differences that will be noticed and valued by those customers with whom the firm would most like to develop a long-term relationship. Successful positioning requires:

1. Understanding target market preferences and
2. The characteristics of their competitors' offerings

Positioning plays vital role in marketing strategy because it links market analysis and competitive analysis to internal corporate analysis. From these three positioning statement can be developed that enables the service organization to answer the following questions;

1. What is our service?
2. What do we want to become?
3. What actions must take to get there?

When market growth slows, the only way for a firm to grow is to take share from the competition. To stand out from its competitors, a firm needs to differentiate itself in ways that

are meaningful for consumers. Failure to do so will result in a commodity environment in which competition becomes price based and the winner is the player with the lowest costs. Four basic focus strategies are available to firms, reflecting the number of markets served and the breadth of services offered are shown in following grid.

1. Unfocused,
2. Market-focused,
3. Service-focused, and
4. Fully-focused

A fully focused firm provides a very limited range of services to a narrow and specific market segment. A market-focused company concentrates on a narrow market segment but has a wide range of services. Service-focused organizations offer a narrow range of services to a broad market. Unfocused service providers try to be all things to all customers by trying to serve broad markets with a wide variety of services.

The attributes that distinguish competing services from one another are not always the most important ones. If competing services however, are perceived as well matched on the important attributes, then decisions may be made based on less important (but still valued) attributes where differences between alternatives are evident. Determinant attributes are those that actually influence consumer's choices.

Individuals may set different priorities for attributes according to;

1. The purpose of using the service
2. who makes the decision
3. the timing of use
4. whether the individual is using the service alone or with a group the composition of that group

Positioning involves establishing a distinctive place in the minds of competitors relative to competing products. The essence of positioning can be summed-up into these four principles:

1. A company must establish a position in the minds of its targeted customers.
2. The position should be singular, providing one simple and consistent message.
3. The position must set a company apart from its competitors.
4. A company cannot be all things to all people—it must focus its efforts.

Once a service provider has positioned itself in the market place, it must constantly monitor this position. Competitive activity, new technologies, and market changes all may make re-positioning necessary. Re-positioning involves changing the position the firm holds in a consumer's mind relative to competing services and can include adding or deleting service offering or withdrawing from some markets completely.

These principles apply to any type of organization that competes for customers, but it offers valuable insights by forcing service managers to analyse their firm's existing offerings and to provide specific answers to the following questions.

1. What does our firm stand for in the minds of current and prospective customers?
2. What customers do we now serve and which ones would we like to target for the future?
3. What are the characteristics of our current service offerings and at what segment is each one targeted?
4. In which instance how do our service offerings differ from those of the competitors?
5. How well do our customers in the chosen market segments perceive each of our service offering as meeting their needs?
6. What changes do we need to make to our offering in order to strengthen our competitive position with in the market segment(s) of interest to our firm?

Positioning of tourist destinations is not significantly discussed as other concepts. Alford (1998), through a review of literature takes a macro-approach and looks at the positioning of resort destinations. Walmsley and Young (1998) looked at how travellers position international and local destinations. Manzanec (1995) used neural networks to study the positioning of luxury hotels by European travel agents. Dev *et al.* (1995) illustrated how researchers can use multidimensional scaling to build perceptual maps.

Harsha E. C (2005) has published an article on "Positioning a Tourism Destination to Gain a Competitive Edge" with the purpose of discussing the vital role played by positioning in tourism marketing and to present various approaches to positioning a tourism destination. In this article she presents four types of positioning strategies for destinations namely; Market Psychological Objective and Subjective Positioning. Further more, she reports different types of positioning approaches including, Positioning by Price Value, Positioning with respect to use or application, Positioning according to the users or class of users, Positioning with

respect to a product class and positioning vis-à-vis the competition. Finally she indicates “Positioning is a valuable weapon for tourism marketers. To position successfully requires recognizing the marketplace, the competition, and tourists' perceptions. Positioning analysis on a target market basis provides the tools to identify opportunities for creating the desired image that differentiates a destination from its competitors and for serving the target market better than anyone else”.

Mrinmoy K S. (2003) had conducted a research on positioning with the Northern India as research background. This research has attempted to recognize the means of positioning with little infrastructure facilities in Northern India.

2.7 Destination Marketing Efforts

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Strategies to market manufactured goods usually address the traditional four elements of the marketing mix—product, price, place, and promotion. But the distinctive characteristics of services like tourism, including the lack of stocks and customer involvement in production, require attention to additional strategic elements. The 7Ps model highlights seven strategic decision variables for managers of service organizations, including Product elements, Place and time, Promotion and education, Price and other user outlays, Physical environment, Process and People (Lovelock C., 2005)

2.7.1 Product mix

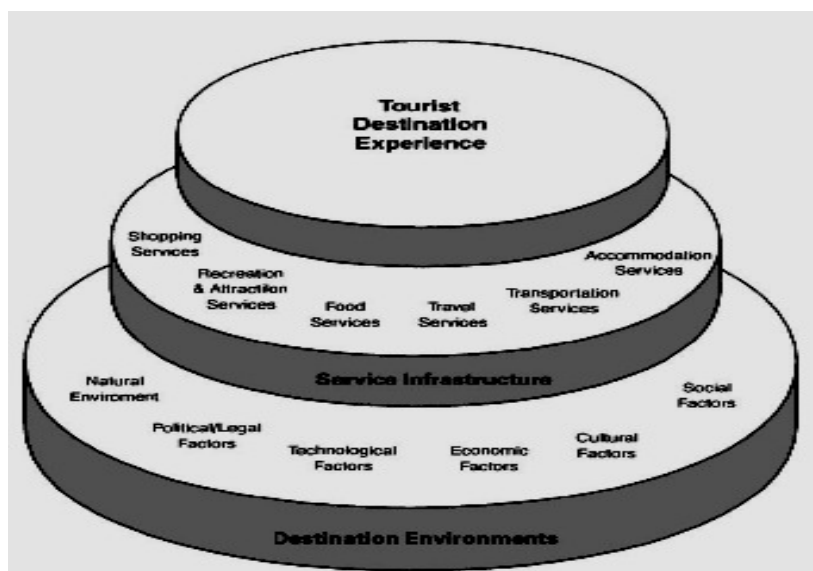
According to Kotler P. (1985), “Product mix is the set of all product lines and items that a particular organization makes available to its consumers.” Further, product mix has certain

length, width, and depth. The length, in the case of tourist product mix, refers to the total number of items in its product mix. The width of product mix means how many different products each product line of the firm carries. Finally, the depth of product mix refers to how many variants of each product are offered in the line.

A destination may be viewed as an amalgam of individual products and experience opportunities that combine to form a total experience of the area visited. Hu and Ritchie (1993) conceptualised the tourism destination as 'a package of tourism facilities and services, which like any other consumer product, is composed of a number of multi-dimensional attributes. A tourist's destination experience, however, is not solely derived from the consumption of various travel services (Cohen, 1979).

Murphy P, Pritchard M P, and Smith B (2000) recognizes tourist destination as an experience product, which combines both destination environments and service infrastructure. Conceptual model of their study is depicted in the figure 2.10. Carlzon (1987) describes this customer interaction as being comprised of a 'million moments of truth.

Figure 2.10: A model of the destination product



Source: Murphy P., Pritchard M P, and Smith B., 2000

A components view of travel and tourism products suggests those tourism products as a group of components or elements, which include transport, accommodation attractions and other facilities, such as catering and entertainments. There are five main components of tourism

products and they will be summarized in table 2.6. The overall tourism product concept discuss wider view on product concept, defining tourism product as complete experience from the time tourist leaves home to the time he returns to it (Middleton V.T.C., Clark J. 2004,). Leiper N. (1990) defines attractions as systems or sets of interconnected elements. In essence of Leiper’s literature review, he further illustrates tourist attractions as all those elements of “non-home” place that draw discretionary travellers away from their homes. They usually include landscapes to observe, activities to participate in, and experiences to remember (Lew 1987). Tourist attraction is a system comprising three elements: a tourist or human element, a nucleus or central element, and a marker or informative element. A tourist attraction comes into existence when the three elements are connected (Leiper N., 1990).

Table 2.6: Components of tourism products

Main Component	Classification
Destination attractions and environment	Natural Attractions
	Built Attractions
	Cultural Attractions
	Social Attraction
Destination Facilities and Services	Accommodations
	Restaurants, Bars and cafes
	Transport at the destination
	Sports/interest activity
	Retail outlets
	Other services and facilities
Accessibility of destination	Infrastructure
	Equipments
	Operational Factors
	Government Regulations
Price to the consumer	Cost for travel
	Cost for Accommodation
	Cost of participation

Source: Middleton V.T.C., Clark J. 2004

A nucleus, the central element in a tourist attraction system, might be any feature or characteristic of a place that a traveller contemplates visiting or actually visits (Leiper N., 1990). Markers are items of information, about any phenomenon that is a potential nuclear element in a tourist attraction. MacCannell's (1976) use of the term emphasized that "markers" should be distinguished from their media. A signpost is not a marker, but might be the medium by which a marker (the information) is conveyed. MacCannell referred to two categories, "off-sight" and "on-sight" markers. According to Middleton V.T.C., Clark J. (2004) destination marketing managers need to think about the product on three levels .

- The core product, which is the essential service or benefit designed to satisfy the identified needs of target customer segments.
- The formal or tangible product, which is the specific offer for sale stating what are customer will receive for his money. It is a marketing interpretation that turns the core into a specific offer.
- The augmented product, which comprises all the forms of added value producer may but into their formal product offers to make them more attractive than competitors offers to their intended customers.

Lovelock C., divides the total service offer into two distinctive categories as core service and supplementary services. The concept of supplementary services emerged from the notion of the "augmented product" in which services where often seen as a way to add value to manufactured goods. The core product is represented by the central benefit provided by a firm to address specific customer needs; it defines the nature of the business Facilitating supplementary services facilitate use of the core product or are required for service delivery and sale; if well executed, they make the company "easy to do business with." Enhancing supplementary services add extra value for customers and help to position the core product away from the competition. The nature of these enhancements is often tailored to suit the needs of customers in specific market segments.

2.7.2 Pricing

The "price" of tourism is highly variable due to the interdependent and seasonal nature of tourism services. Heath & Wall (1992) state that, "Understanding the composition of and interrelationships among regional tourism products is an important prerequisite to the development of an effective pricing strategy." Variable pricing strategies play an important role in demand management, as lower prices can be used to attract tourists to various

destinations during their "off-seasons." In the same way, higher prices can be used to limit visitors in peak seasons (<http://www.geog.uvic.ca/mapsandtourism/index.html>).

Sheryl E. Kimes and Richard B. Chase argue for a broader managerial view of yield management (also known as revenue management) than the more common tactical and mathematical perspective (Adapted from Lovelock C.H., 2005) of pricing. The concept of yield management is highly relevant for the business like tourism with highly fluctuating and seasonal demand. According to Lovelock C.H revenue management is commonly defined as “the application of information systems and pricing strategies to sell the right capacity to the right customers at the right prices.” Sheryl E Kimes and Richard B modified the common definition as managing the 4Cs of perishable service:

- Calendar (how far in advance reservations are made)
- Clock (time of day service is offered)
- Capacity (inventory of service resources)
- Cost (price of service)

In order to manage a fifth element:

- Customer demand in such a way as to maximize profitability.

2.7.3 People

The service level delivered and the way the service is delivered can be an important source of differentiation and competitive advantage. Service staff is the most visible element of the service and the component that significantly delivers service quality. As the service staff represent the company in its interactions with the customers and deliver the brand promise, the service staff are also very much the service firm (from the customers' point of view) and the brand. Highly motivated service staff plays a key role in anticipating customer needs, building personalized relationships with customers, and thus building customer loyalty. Other than being an invaluable asset in high contact services, frontline staff is also crucial in low contact services where technology is largely commoditised. The firms' differentiation will then rest on these few *moments of truth* whether it is through the phone, email or face-to-face.

High performing, satisfied employees are a key ingredient in achieving service excellence and customer loyalty. Frontline work, however, can be very demanding. Frontline staffs are *boundary spanners*, as they operate at the boundary of the company, linking and transferring information from the inside of the organization to the outside world. As such, they often have

conflicting roles particularly in areas such as service quality, productivity, and sales, as they have to fulfil both operational and marketing goals.

Person/role conflict, organization/client and inter-client conflicts are the three main causes of stress in frontline positions. Person/role conflict occurs when the job requirements are inconsistent with the staff's own personalities, self-perception, and beliefs.

Organization/client conflicts occur when service staffs face the dilemma of whether they should follow the company's rule or satisfy customer demands. Inter-client conflicts, i.e. when there are conflicts between customers, can also be a source of stress as the staffs are often called in to resolve conflicts between customers.

Emotional labour is a very real problem faced by frontline staff and arises when there are discrepancies between the way the frontline staff feel inside and the emotions that they are expected to portray in front of customers.

Service personnel, often the most visible element of the service, are often a core part of the brand and are the means by which the brand promise is delivered. The moments of truth provided by the service personnel at the frontline are crucial in building customer loyalty. If delivered well, the enhanced personnel relationships built will lead to repeat purchase and increased loyalty. Conversely, a bad service experience can quickly lead to customer switching and churning.

Many service encounters involve more than just correct technical execution of a task. They also involve human elements like personal demeanour, courtesy and empathy. Because these factors are a basic part of the service from the customers' point of view, employees must sometimes undergo emotional labour to make sure that their behaviour meets or exceeds company and customer expectations. Some service jobs require workers to be friendly, others to act compassionate, sincere, or even self-effacing. Trying to conform to customers' (and employers') expectations on these dimensions can be stressful for employees, who may be required to act out emotions they don't feel at times during the course of their jobs. Special training on how to handle these emotions is often an important part of employee training in service jobs like policing, fire fighting and emergency medical care.

2.7.4 Promotion

In a service setting, marketing communications tools are especially important because they help create powerful images and a sense of credibility, confidence, and reassurance. Some specific tasks that can be performed by marketing communication are:

- **Adding value through communication content**
Information and consultation are important ways to add value to a product. Prospective customers may need information and advice about what service options are available to them, where and when these services are available, how much they cost, specific features and functions, and specific service benefits.
- **Internal communications**
Marketing communications can be used to communicate with service employees as well as with external customers. Internal communications with senior managers to their employees play a vital role in maintaining and nurturing a corporate culture founded on specific service values.
- **Overcome the problem of Intangibility**
Because they are performances rather than objects, the benefits of services can be difficult to communicate to customers. Lovelock .C (2005) suggests that this intangibility creates four problems for marketers seeking to promote services' attributes or benefits: abstractness, generality, non-search ability, and mental impalpability. Generality refers to items that comprise a class of objects, persons, or events for instance, airline seats, flight attendants, and cabin service. These general classes do have physical analogues, and most consumers of the service know what they are, but a key task for marketers is to communicate what makes a specific offering distinctly different from competing offerings.

Non-search ability refers to the fact that intangibles cannot be searched or inspected before they are purchased. Physical service attributes, such as the appearance of a health club and the type of equipment installed, can be checked in advance, but the experience of working with the trainers can be determined only through experience.

Abstractness refers to such concepts as financial security, expert advice, or safe transportation, which do not have one-to-one correspondence with physical objects.

Mental impalpability refers to the fact that many services are sufficiently complex, multidimensional, that it is difficult for consumers to understand what the experience of using them will be like and what benefits will result.

- **Facilitate Customer Involvement in Production**

Advertising and publicity can make customers aware of changes in service features and delivery systems. Marketers often use sales promotions to motivate customers, offering them incentives to make the necessary changes in their behaviour. Publicizing price discounts is one way to encourage self-service on an ongoing basis.

- **Help Customers to evaluate service offerings**

Even if customers understand what a service is supposed to do, they may have difficulty distinguishing one firm from another and knowing what level of performance to expect from a particular supplier. Some performance attributes lend themselves better to advertising than others do. When an airline wants to boast about its punctuality, reporting favourable statistics collected by a government agency offers credible support for this claim.

- **Stimulate or Dampen Demand to Match Capacity**

Advertising and sales promotions can help to change the timing of customer use and thus help to match demand with the capacity available at a given time.

- **Promote the contribution of service personnel**

An ad that shows employees at work helps prospective customers understand the nature of the service encounter and implies a promise of the personalized attention that they can expect to receive.

The Marketing Communication Mix includes personal contact, advertising, publicity and public relations, sales promotion, instructional materials and corporate design. Promotional and other messages can be transmitted either through production channels and marketing channels. Production channels include:

- **Customer Service from Front-line Staff:** Those responsible for delivering the core service may also be responsible for delivery of a variety of supplementary services, including provision of information, taking reservations, receipt of payments, and problem solving.

- **Customer Training:** Some companies, especially those selling complex business-to-business services, offer formal training courses to familiarize their customers with the service product and teach them how to use it to their best advantage.
- **Service Outlets:** Both planned and unintended messages reach customers through the medium of the service delivery environment itself. Impersonal messages can be distributed in the form of banners, posters, signage, brochures, video-screens and audio.

Marketing Channels for communication include:

- **Personal Selling:** Interpersonal encounters in which efforts are made to educate customers and promote preference for a particular brand or product are referred to as personal selling. Many firms, especially those marketing business-to-business services, such as property, insurance, and funeral services, the firm's representative may act as a consultant to help buyers make their selections.
- **Trade shows:** In the business-to-business marketplace, trade shows are a popular form of publicity that also combines important personal-selling opportunities. In many industries, trade shows stimulate extensive media coverage and offer business customers an opportunity to find out about the latest offerings from a wide array of suppliers in the field.
- **Advertising:** As the most dominant form of communication in consumer marketing, advertising is often the first point of contact between service marketers and their customers, serving to build awareness, inform, persuade, and remind. Advertising plays a vital role in providing factual information about services and educating customers about product features and capabilities. A broad array of paid advertising is available, including broadcast (TV and Radio), print (magazines and newspapers), movie theatres, and many types of outdoor media (posters, billboards, electronic message boards, and the exteriors of buses or bicycles).
- **Direct Marketing:** This category embraces mailings, recorded telephone messages, faxes, and e-mail. These channels offer the potential to send personalized messages to highly targeted micro segments. Direct strategies are most likely to be successful when marketers possess a detailed database of information about customers and prospects.
- **Sales Promotion:** A useful way of looking at sales promotions is as a communication attached to an incentive. Sales promotions are usually specific to a time period, price, or

customer group – sometimes all three. Typically the objective is to accelerate the purchasing decision or motivate customers to use a specific service sooner in greater volume with each purchase, or more frequently.

- **Public Relations (PR):** PR involves efforts to stimulate positive interest in an organization and its products by sending out news releases, holding press conferences, staging special events, and sponsoring newsworthy activities put on by third parties.

Messages originating from outside the organization

Some of the most powerful messages about a company and its products come from outside the organization and are not controlled by the marketer.

- **Word of Mouth:** Recommendations from other customers are generally viewed as more credible than are firm-initiated promotional activities and can have a powerful influence on people's decisions to use or avoid using a service. In fact, the greater the risk that customers perceive in purchasing a service, they will more actively they will seek and rely on word of mouth (WOM) to guide their decision-making.

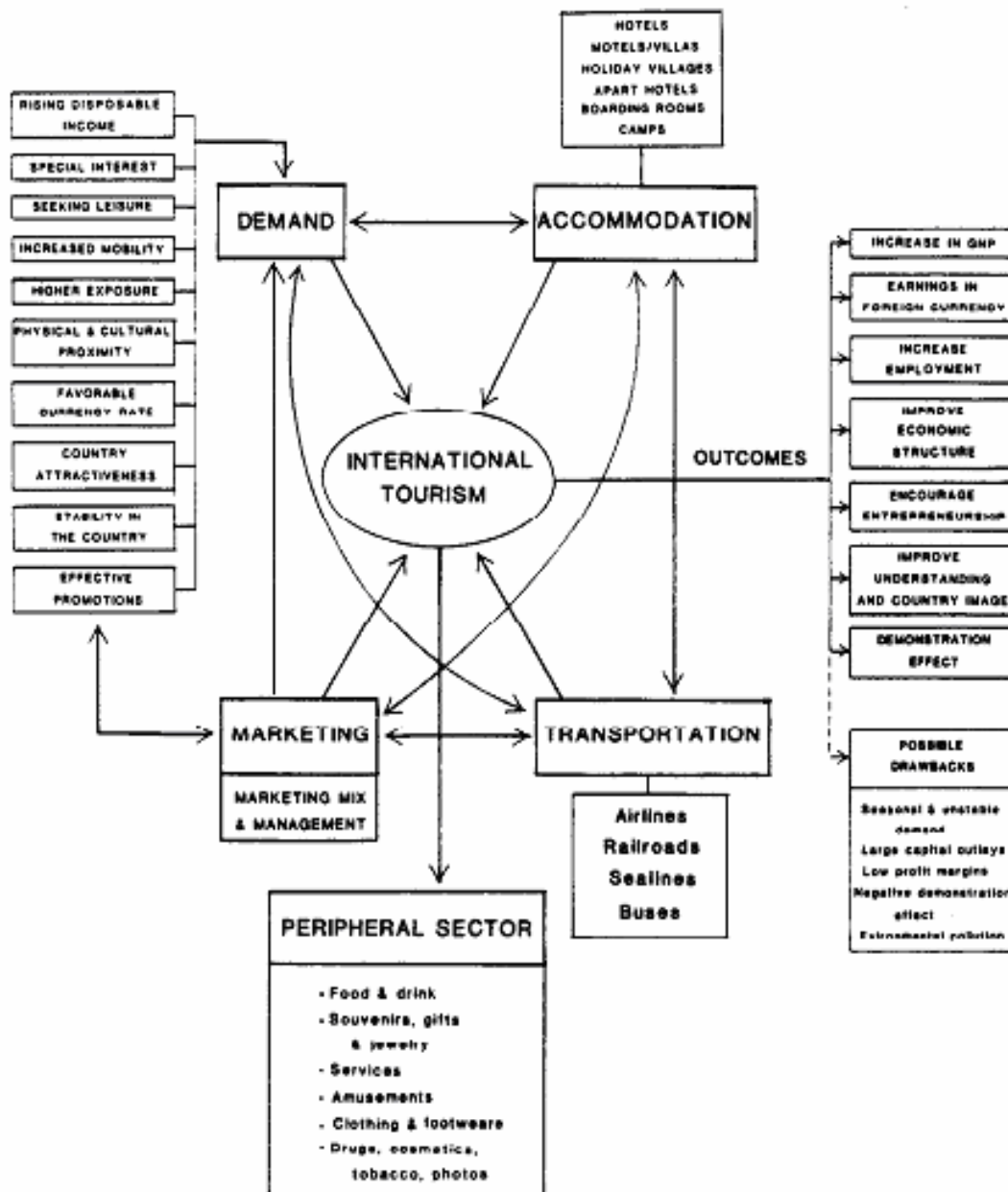
2.7.5 Place

Travel intermediaries are defined as members in the distribution chain in the tourism-marketing channel. They include retail travel agents, tour packagers, incentive marketers, and tour wholesalers. They provide lodging, transportation and other travel products and services demanded by domestic and foreign tourists. The ability of travel intermediaries to combine travel products and offer them to customers as a package at a price generally lower than those available to individuals provides travel economy and convenience for a significant segment of tourists.

Travel intermediaries have considerable influence in the decision making process of the tourist. They serve as an opinion leader and expert for taking a travel decision process. They play the role of influencers for many of their loyal customers. This implies that they are of greater importance to both the tourist and the destination marketer particularly in the cases of destinations with far greater distance from the point of origin.

Culpan R. (1987) produced an international tourism model for developing economies in which he identified the peripheral sector as being involved in food and drink, souvenirs, services, etc. The comprehensive picture of the Culpan's international tourism model is depicted in figure 2. 11. This can be used to develop a comprehensive model for tourism distribution system with few modifications.

Figure 2.11 Culpan's International Tourism model



Source: Culpan R, 1987

Chapter 3: Research Methodology of the Study

This chapter explains the methodology of the study including the design of the study, the setting where it took place, the sampling design that was used, the instruments and procedures that were used for data collection, and also a description of the way in which data was analysed. The beginning of the chapter describes the methodology used to gather data. It then continues with a discussion of the five key components in the research design: research approaches, contact methods, sample plan, contact medium and data analysis.

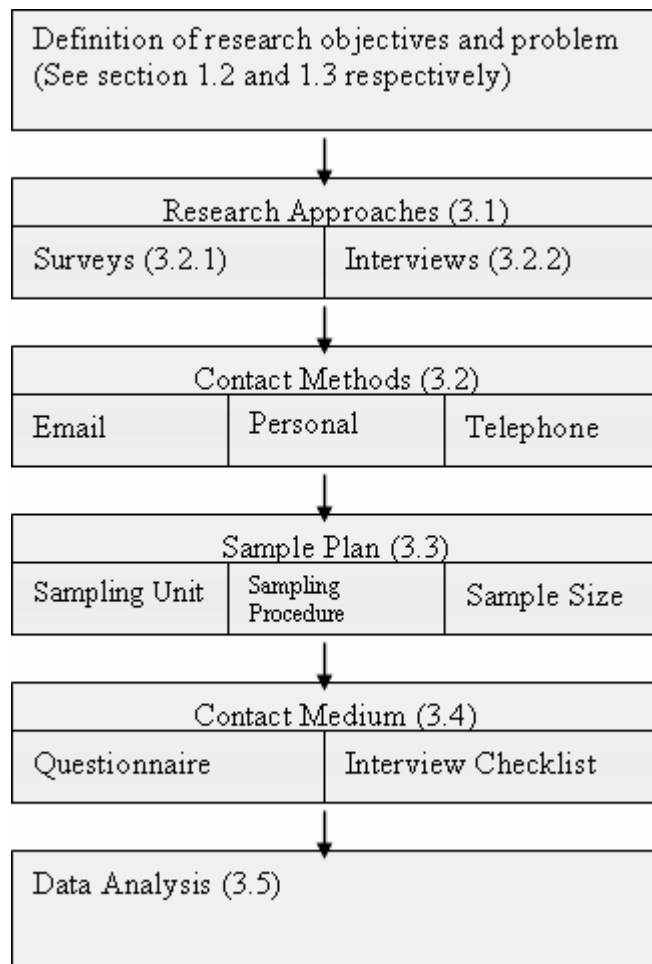
3.1 Methodology

This research is basically problem solving kind research and the goal is to solve specific destination marketing problems such as segmentation, branding, image creation, destination positioning and destination marketing mix strategies.

This study uses the triangulation research method. Triangulation research method is defined as combined use of qualitative and quantitative methods in the study of the same phenomenon (Hollensen S. 2004). Both qualitative and quantitative methods are used at the same time since they often complement each other. Similarly it is intended to improve the accuracy and validity of judgments by collecting both qualitative and quantitative data. The key here is to state that quantitative research is primarily used to gain an initial understanding of fundamental motivations for tourists', attitudes, preferences, and behaviour. In addition to quantitative research methods will be applied for the part of destination marketing practices of Sri Lanka. The goal of using quantitative research is to gain sufficient knowledge about the scope and the general nature of the problem at hand to direct the qualitative part of the research like branding and positioning strategies. The findings from qualitative research are then being used to in-depth analysis on key variables that can be tested quantitatively. This study will use cross-sectional research design, which is defined as the designs involve the collection of information from a sample population at a single point in time (Malhotra N. 2005). More broadly it can be identified as a multiple cross-sectional design, since there is more than one sample of respondents, and information from each sample is obtained only once. Information from different samples is obtained at the same period of time.

In-depth interviews are used to gather most of qualitative data as exploratory inputs while field surveys are used to gather most of quantitative primary data. Research design of this study is depicted in figure 3.1

Figure 3.1 Research design of the study



Source: Research Data

In addition to primary data this study will significantly hinge on the secondary data as well. Note that secondary data can cover a broad range of factors that affect the problem of the study. It does not always fit the specific problem at hand, but can be useful in developing an approach to the problem and providing a comprehensive understanding of the problem environment. Secondary data will be used to answer certain research questions on internal analysis, competitiveness analysis and destination marketing efforts in the past. Thus secondary data will be more important in interpreting primary data more insightfully.

3.2 Research Approaches

An exploratory study of secondary data in the field of tourism marketing is conducted by examining around 70 articles, books, websites and commercial materials of tourism marketing in Sri Lanka. Data in relation to tourist arrivals and their demographic characteristics will be gathered through Sri Lanka Tourist Board publications (the Board) and Sri Lanka Central Bank reports. Further, the Board publications will important information on demographics of tourists, tourism services providers, transportation, and so on. Furthermore, stress that the quality of these data is very high, making it a very reliable and useful source. The World Tourism Organization (WTO) publications also provide wide range of information on competitiveness and internal analysis. Online search of secondary data is facilitated by some generalist search engines like Yahoo, Google and Wikipedia.

Since research questions are not adequately answered by secondary data sources this study will be heavily depend on primary data. The first step in methodology here was to ascertain the attitudes of the tourists towards the experiences gained by being a tourist in Sri Lanka. This was done by collecting primary data using a survey technique. Additionally host community survey was conducted to gather data in relation to the host community attitudes on tourism and tourism management. In addition to survey method, interview method was used to gather the data on supply side. Basically managers of National tourists Organizations such as the Ceylon Tourists Board and the Ministry of Tourism were interviewed using formal face-to-face interview method with semi-structured interview schedule. Additionally tour operators and hotel managers were interviewed to represent the non-governmental tourist organizations at micro level.

As a result, this study consisted of two main research approaches; survey and interviews. Each approach has been utilized towards two target groups. Thus, there are four stages in the research approach to this study known as;

1. Survey of tourists
2. Survey of host community
3. Interview of National Tourist Organizations (NTO) and
4. Interview of hotel and tour operators

3.2.1 Surveys

The structured-direct data collection process will be used for the study. It involves using a questionnaire to survey a sample from a population. This study will use two different surveys for two different samples, thus the study consists with two standard questionnaires.

The variables drafted in the figure 1 conceptual framework tested using a structured questionnaire and administered a sample of 200 tourists travel in the 10 tourist resorts of Hikkaduwa, Nuwara-Eliya, Kandy, Galle, Matara, Colombo, Sigiriya, Sinharaja, Anuradhapura and Negombo. For these samples the author of this thesis directly interviewed them to gather maximum information in addition to the data aimed with the questionnaire. In addition to that 100 tourists were administered via e-mail. This sample included the tourists who visited Sri Lanka during the period of 2004-2007. The survey is written within the body of the e-mail message. The e-mails were sent out via the Internet. These individuals were asked about their motivations and attitudes related to vacation travel in general, as well as their attitudes towards as well as their experiences with various tourist destinations in Sri Lanka.

The international tourists' survey was composed of four parts (the complete survey questionnaire is available in Appendix A). Part 1 contained questions relating to demographic variables. Part 2 involved questions regarding the customer analysis and market segmentation. Part 3 gathered data relevant to destination image, brand and position and part 4 put forward questions on marketing mix strategies.

The host community attitude survey was conducted in a number of areas where the greatest possible interaction between tourists and the local people are evident. Accordingly the sample questionnaire survey was conducted at Hikkaduwa, Nuwara-Eliya, Kandy, Galle, Matara, Colombo, Sigiriya, Sinharaja, Anuradhapura and Negombo. The questionnaire used for the host community survey is included in Appendix B. This data was supplemented with the information gathered through informal interviews and other observations using the participant observer and the living-in experience method.

3.2.2 Interviews

Exploratory interviews were conducted using the technique known as semi-structured interviewing (See appendix C for interview Check List). This begins as an un-structured style of interview, which later turns to semi-structured through focusing on important issues. The interviews took place in offices of respective managers and at tourist destinations, where they are doing their businesses. After each interview material gathered, it was analysed by comparing them with the other interviews already conducted.

In the first stage, 16 individual interviews consisting of open-ended questions were conducted across the destination management organizations in Sri Lanka (appendix C). The individuals who participated in these interviews had all engaged in either destination management or marketing (to various destinations) in the preceding three years.

3.3 Contact Methods

For the purpose of surveys, this study adopted two questionnaires; one for international tourists and one for host community (see Appendices A and B). Questionnaire for international tourists' survey embraced demographic variables, trip characteristics, and a multiple-item scale concerning tourist's sentiment toward destination marketing in Sri Lanka. Questions were included reflecting elements of marketing mix, destination image, destination brand, and tourist satisfaction.

The surveys employed a combination of both closed and open-ended questions. The closed questions allowed ratings to be obtained. Five-point rating scales (Likert scales) were used to obtain overall ratings on international tourist and host community attitudes. Open-ended questions were used to avoid 'leading' the responses, and to allow for a wide variety of feedback.

Destination image, expectation and tourist motivational attributes were selected based on reports and articles about Sri Lanka and other similar destinations in the media and also from a result of discussions with tourists where they were asked to describe Sri Lanka in their own words. Both tangible and intangible attributes have been adopted and the statements have been phrased in both constructive and destructive forms.

In order to collect the data within the boundaries of time, costs and the character of the study problem, a mixture of a structured questionnaire and interview checklists were used for interviewing NTO managers and the industry retailers. NTO managers are asked questions on marketing strategies they already practiced and were currently practicing (See appendixes C and D). Retailers' checklist heavily focuses on partnership strategies and their attitudes on joint and NTO marketing strategies. Interview checklist for NTO managers is dominated by open-ended questions, consisted of a total of 5 parts representing destination competitiveness, destination internal analysis, customer analysis, networks and partnerships and managers' attitudes on destination marketing strategy. The final part was entirely based on closed questions following the pattern of Likert scales, rest of the parts are entirely consisted with the questions with open answers. The interview checklist for industry retailers' was entirely consisted with 17 open-ended questions.

The questionnaires for the surveys were also sent with a covering letter explaining the purpose of the study to past international visitors via e-mail at the end of February 2007.

3.4 Sample Plan

The target population of international tourists survey was all the end-users (international travellers but not domestic travellers) who previously travelled or are/were currently travelling in Sri Lanka while local community living in tourist destination becoming the population for the host community survey. The target population of the industry interviews included accommodation, hotels, resorts restaurants and catering, transport, airlines, cruise ships, festivals, meetings, incentives, conventions and events, visitor attractions and theme parks, travel retail, tour operators and wholesalers and local, state and federal government planning

A total of four sets of samples were developed in the study: end-users, host community, National Tourists Organizations (NTO) and retailers. Convenient sampling approach was used to select samples.

With regard to the tourist, host community and retailer sample, the Sri Lanka was divided into 10 territories (Hikkaduwa, Nuwaraeliya, Kandy, Galle, Matara, Colombo, Sigiriya, Sinharaja, Anuradhapura and Negombo) to cover the hotels, guesthouses, and private homes registered with the Ceylon Tourist Board. By using the number of international tourist arrivals to a

particular destination as a weighting factor, a quota for each territory was determined. The establishments and destinations to meet tourists, host community and retailers to be sampled were selected randomly. For international tourists survey additional 50 were selected and administered through emails with the assistance of Agder College, Norway and two Sri Lankan students studying at Monash University, Australia.

In the international tourist survey of 170 persons contacted, 131 spoke sufficient English to answer the questionnaire. After accounting for refusals, terminated completions, and badly filled out questionnaires, a working sample of 131 (77% response rate) was produced. The workable sample of international tourists consists of England (n = 42), Australia (n = 15), German (n = 11), Italy (n = 12), Norway (n = 11), India (n = 09), Belgium (n = 07), United States of America (n = 06), France (n = 05), Sweden (n = 03), Netherlands (n = 02), China (n = 02), Denmark (n = 02) Canada (n = 01), Japan (n = 01). Poland (n = 01) and Switzerland (n = 01),

In February-March 2007, a total of 57 questionnaires were distributed among 57 host communities living in the so-called tourist destinations. These questionnaires were administered with the assistance of an interviewer. Host community survey sample consisted of 7 government employees, 13 private sector employees, 7 retirees, 10 self employed individuals, 10 unemployed individuals and 10 students

In March 2007, a total of 20 interviews were conducted including 5 with NTO marketing managers representing the Ministry of Tourism, Sri Lanka and Ceylon Tourists Board and 15 with tourism retailers, which included tour operators, hotels and destination management people.

3.5 Data Analysis

Factor analysis was performed on the 23-item perception attributes included in the questionnaire to measure tourist perceptions of Sri Lanka as an international tourists destination.

Factor analysis was performed on the 42 attributes included in the questionnaire to measure tourist motivation to visit Sri Lanka. Having identified the four market segments based on the

motivational factors, the next step was to look at any correlation between these factors. Pearson's co-relation co-efficient was used to determine the degree of linear association. The 16-attribute statements of the satisfaction variable on marketing mix were factor analysed following the same procedure as for image variables.

The grouping of customers further exemplified by image attributes and customer attitudes on marketing mix multiple regression analysis was performed to identify which variable the strongest influence on the overall satisfaction.

ANOVA was used to analyse the factors for any significant differences between the means of the image variables with respect to the respondents' demographics such as age, income, number of previous visits and nationality. Mean *t*-test analysis was done to know whether there were significant differences between tourist expectations and satisfaction on travel related attributes.

Host community survey analysis was performed with statistical analyses such as ANOVA and co-relation. Similar grouping and techniques adapted in the international tourists' survey were utilized to find the relationship between variables such as impact of tourism and host community participation.

Analysis of the open-ended questions was based on the grouping of similar responses from the questions and the categorizing and labelling of the various descriptions provided by the respondents. This technique was used to identify the most frequent words or phrases used to describe the destination and its image in the customer's mind and to recognize the most visited attractions in Sri Lanka.

Chapter 4:

Internal Analysis

Section	Theory	Practice
5.1	Theory 1	Destination Competitiveness Analysis
4	Theory 2	Destination Internal analysis
5.2	Theory 3	Customer Analysis and Market Segmentation
5.3	Theory 4	Destination Image
5.4	Theory 5	Destination Branding
5.5	Theory 6	Destination Positioning
5.6	Theory 7	Destination Marketing Efforts

This chapter is intended to analysis the internal environment of tourism industry of Sri Lanka. The chapter begins with an overview of tourism in Sri Lanka. This is followed by three major pillars of tourism industry namely hospitality services, visitor attractions and transportation in Sri Lanka respectively in separate sub sections. This part of the study is heavily dependent on secondary data and data gathered through interviewing people in destination management.

4.1 Tourism in Sri Lanka

Sri Lanka (formerly Ceylon) is an island just south of India with a land area of 65.610 square kilometers. In 2006, its estimated population was 19.58 million, whose per capita income was US\$1160 in 2006. Buddhism is the religion of 70% of the population, followed by Hinduism, Islam, and Christianity. Education is free and the literacy rate is 98% (Central Bank Report, 2006). “Centuries old processes of assimilation, integration and blood ties, in combination with almost 450 years of Portuguese (1505-1658), Dutch (1658-1802) and British (1802-1948) colonial rule have given rise to a number of heterogeneous and hybrid social formations in Sri Lanka” (Silva P L, 1997).

Tourism in Sri Lanka formally organized with the establishment of the Tourist Board with the passing of the Tourist Board Act No: 10 in 1966 and the creation of the Ceylon Tourist Board as the Government machinery to manage the industry. According to the Ceylon Tourist Board records, there had been only 18,969 international travellers to Sri Lanka in 1966. In the late seventies and early eighties, tourism in Sri Lanka went through an extraordinary growth. It was no longer the preservation of globetrotting elite, but came increasingly within the horizons of European package tour operators. This transform was really facilitated by the

1977 change of government policies to open market economy. Sri Lankan government afterward was in a position to become conscious their commitment to policies that would join together the nation with the rest of the world. In early stage with little need for elaborate infrastructure, tourism appeared to offer employment, a profitable sector for private investment, and an attractive source of foreign exchange (Crick M., 1988). Under such conditions, Tourism Authorities in Sri Lanka had been guided by the World Tourism Organization's experts.

Sri Lanka has mixed public and private participation in tourism. The airlines (partially although privatised semi ownership with controlling power is still evident), the railway system, and some hotel facilities are government-owned and operated, but majority of the hospitality industry is under the control of private ownership. However, government corporations and other agencies are designed both to compete with and to encourage private enterprise. In Sri Lanka the competing bodies in the tourism industry are the Tourist Board and the Hotels Corporation, which were both created in 1966. The Tourist Board is "a statutory body with legal powers, a large degree of financial independence and island-wide jurisdiction over the nascent tourist industry. It is today the policy-making authority promoting, developing and then controlling and regulating all aspects of tourism (Silva N., 1978). The Hotels Corporation operates and regulates hotels, rest houses, travel agencies, ground transportation, and tourist shops.

4.2 Hospitality Services in Sri Lanka

Accommodation used in international tourism varies enormously, from tents and tumble down huts and cabanas to star class category luxury lodges to host community houses. It is difficult to draw any generalizations except for the more obvious ones. In remote, seldom visited areas where tourists are generally not selecting to visit, accessibility may only be on foot, tents or host community houses are more generally the only available option. Only a few tourists (3 out of 131) interviewed through international tourists' survey revealed that they have stayed for a night more than one day in a host community owned house even without paying for it. Different tourists may use very different styles of accommodation. For example, At "Yala" a well known wildlife sanctuary area, visitors can choose to camp in the National Park's camp ground using their own tent, to stay in a low-key local guest house or to live in an internationally renowned luxury lodge. Apart from these deviations in accommodation this

section analyses the accommodation base of the Sri Lankan tourism industry, which target heavily on the international tourist market.

The hotels in Sri Lanka can be registered under the Ceylon Tourist Board (CTB) if they satisfy the conditions of the CTB. The registered hotel rooms in Sri Lanka have increased from 11,255 in 1955 to 13,162 in 2005. There are many small-scale unregistered accommodation facilities to cater to low end of the markets.

More over, the supply of supplementary accommodation units, (namely guest-houses, motels, inns etc) have gradually increased over the last two decades. But the capacity increase in supplementary accommodation was not large enough to compensate the capacity losses in graded accommodation. Table 4.1 depicts the accommodation infrastructure figures in detail. Establishment of the South Asia's first Seven Star category hotel in Koggala can be considered as an effort to touch the richer class segment of international tourists.

Table 4.1: Accommodation Infrastructure in Sri Lanka

Class of Accommodation	No. of Units		No. of Rooms		No. of Beds	
	2004	2005	2004	2005	2004	2005
All Hotels	240	223	14,322	13,162	26,938	24,740
5 Star Hotels	13	12	2,836	2,693	5,105	4,848
4 Star Hotels	7	7	733	707	1,466	1,414
3 Star Hotels	6	6	435	437	844	848
2 Star Hotels	28	22	2,089	1,576	3,979	3,030
1 Star Hotels	16	15	5,18	514	932	925
Unclassified	170	161	7,731	7,235	14,612	13,675
Supplementary Establishments	345	415	3,318	3,962	5,640	6,537

Source: Sri Lanka Tourist Board, <http://www.srilankatourism.org/>

4.3 Tourist Attractions in Sri Lanka:

Most of the visitor attractions are owned by the Government of Sri Lanka. These attractions are managed with the control of several government ministries such as Ministry of Cultural

Affaires, Ministry of Tourism, and Ministry of Natural Resource Management and so on. Additionally Provincial Councils, Municipal Councils and Pradeshiya Sabhas also engage in the management of tourism resources in the respective areas, which come under their purview.

Figure 4.1: Sri Lanka Tourist Attractions



Source: Sri Lanka Tourists Board, <http://www.srilankatourism.org>

Endowed with a unique mixture of golden beaches, abundant wildlife, and a rich cultural heritage, Sri Lanka is one of the most popular tourist destinations in the region. According to the World Tourism Organization, Sri Lanka has the advantage of having 49 sites classified as

unique attractions, 91 as rare attractions, and 7 world heritage sites (see table 4.2, and 6 of the 300 ancient monuments in the world (de Silva, 2000). Nonetheless, except the well-established beach destinations along the southwestern coast, tourism resources in Sri Lanka are relatively under exploited. The Figure 4.1 highlights some of the popular tourist destinations in Sri Lanka.

Table 4.2: World Heritage Sites Located in Sri Lanka

World Heritage Sites	Period
1. Sacred City of Anuradhapura	5 BC
2. Cave Temples of Dambulla	1 BC
3. Sigiriya Rock Fortress	5 AD
4. Ancient City of Polonnaruwa	10 AD
5. Royal city of Kandy	17 AD
6. Dutch Fortifications at Galle	17 AD
7. Sinharaja Forest Reserve	

Source: Sri Lanka Tourists Board, <http://www.srilankatourism.org>

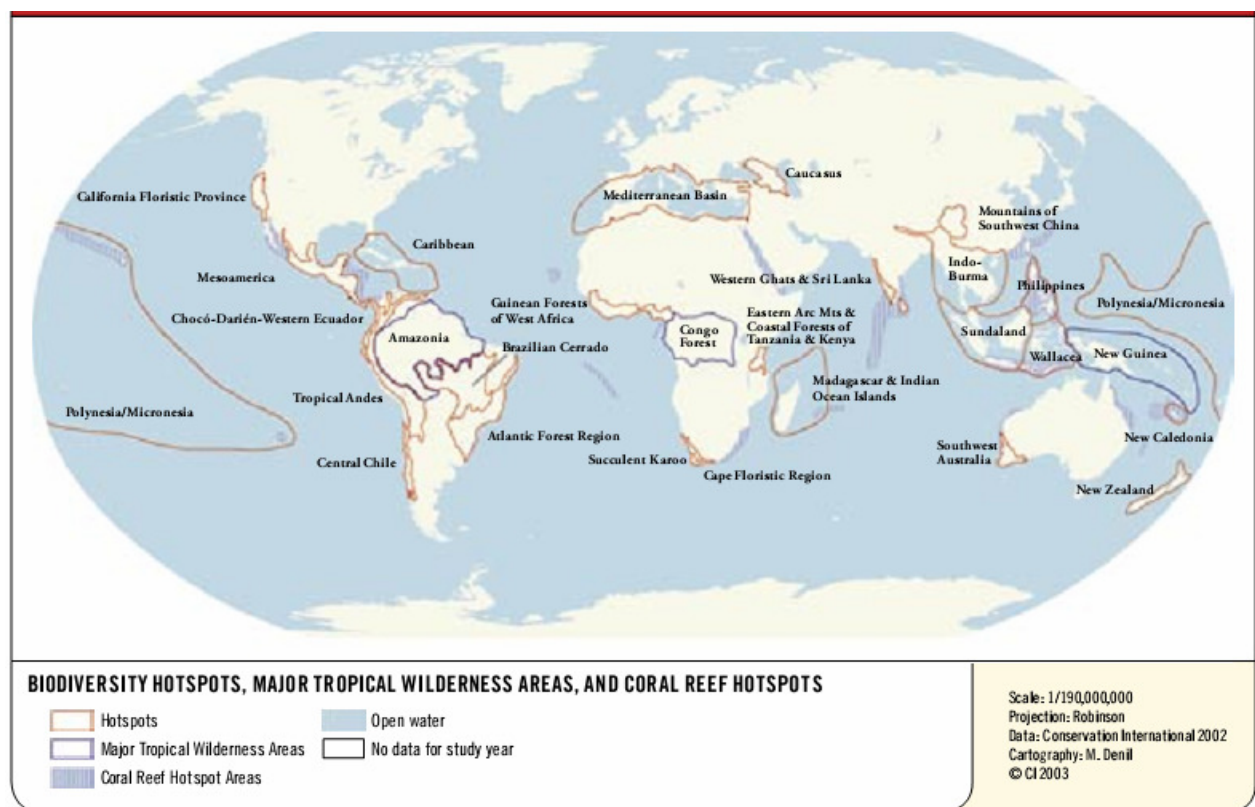
4.3.1 Beaches:

With over 1600 km coastlines, Sri Lanka is known to most tourists for its tropical beach resorts, which offer various attractions all year round. The southwestern coast is best from November to April and the east coast is best from April to September. Some popular beach spots on the south western coast include: Ambalangoda, home of devil-dancing and mask-making; Hikkaduwa, a popular underwater sports site with coral gardens; Galle, its natural harbour was once a Dutch fort, known for lace-making, ebony-carving, and gem-polishing (Mathews, 2000). The eastern coastal region offers numerous opportunities for water sports, deep-sea fishing, underwater photography, scuba diving at the shipwrecks and coral reefs off the coast, and whale watching. Popular tourist towns with sandy beaches in East of Sri Lanka include Trincomalee, Batticaloa, Kalkudah and Nilaveli.

4.3.2 National Parks and Wildlife Reserves:

Despite its relatively small size, Sri Lanka possesses a high level of bio-diversity due to its wide range of topographic and climatic variations. Sri Lanka is known as one of the 25 bio-diversity hot spots in the world (figure 4.2) as identified by Conservation International.

Figure 4.2 Worlds Bio-diverse Hot Spots



Source: Christ C. et al, 2003

According to the report on world bio-diversified hot spots, Sri Lanka has greater bio-diversity per unit area than any other country in Asia. Sri Lanka is among the world's top 25 bio-diversity hot spots. Bio-diversity of Sri Lanka includes,

- 435 species of birds (23 are endemic to the island).
- 92 species of mammals (14 are endemic)
- 242 species of butterflies (42 are endemic)
- 107 species of fish (39 are endemic)
- 54 species of amphibian (33 are endemic)

- 74 species of tetrapod reptiles (32 are endemic) and
- 81 species of snakes
- 170 species of ornamental plants (74 are endemic)

Source: Samarappuli N., Schokman Y., Samaraweera P., 2001

The country has abundant bird life with 251 species resident and 21 out of the indigenous to the island (Mathews, 2000). Since the late 1930s, various areas totalling approximately 4660 km² have been designated as National Parks (7% of the island) and an additional 3270 km² as sanctuaries, reserves, and protected areas (5% of the island). Many of the National Parks and wildlife reserves are now popular tourist attractions. The Yala (Ruhuna) National Park, located in the southeastern corner of the island, and the Gal Oya National Park are popular for viewing large wild elephants and undertaking organized safaris. The Uda Walawe National Park, located in southeast of Colombo, supports large herds of wild animals such as spotted deer, sambhur (a member of the cat family), and wild boar. The Horton Plains National Park, located in the hill country, is Sri Lanka's highest and most isolated plateau and serves as the habitat for the endemic purple monkey and sambhur. The Horton Plains National Park is famous for the precipice known as the "World's End" — a cliff with a sheer drop of 1050 m. The Bundala National Park is the latest addition; it provides habitats for all species of water birds resident in the country as well as the annual influx of migrant birds from August to April.

To preserve displaced young elephants, an elephant orphanage has been set up by the Department of National Zoological Gardens at Pinnawela, 13 km from the main Colombo-Kandy road at Kegalle Town. With over 60 elephants in captivity, the Pinnawala Elephant Orphanage is reported to be the largest captive herd in the world.

4.3.3 Cultural Triangle (Heritage Tourism):

Sri Lanka has inherited numerous magnificent, century-old monuments and cultural relics in a number of ancient cities. Kandy, Anuradhapura and Polonnaruwa are known as the points of the "Cultural Triangle" of Sri Lanka, where five of Sri Lanka's seven world heritage sites are located. Within the triangle, Sigiriya is known as the cultural tourism base in this area. The most important archaeological and cultural site in Sigiriya is the spectacular rock fortress built in the 5th century AD by King Kasyappa to fend off a feared invasion. Situated atop a 200 m

high rock, the fortress houses famous frescoes (rock paintings) on its gallery wall, which is considered one of the finest ancient art examples in the world. Other highlights of cultural tours in this area include the Buddhist cave temples dating to the 1st century AD and a gigantic recumbent image of the Buddha carved out of rock in the town of Dambulla; the largest manmade reservoirs, “Parakrama Samudra”, and the colossal Buddha images carved on a granite boulder in the medieval capital of Polonnaurwa; the sacred Bo Tree in Anuradhapura, and an elephant reserve in Habarana.

4.3.4 Hill Country:

Kandy is known as Sri Lanka’s hill capital. The focal point of the town is the golden roofed Dalada Maligawa (Temple of the Tooth Relic), a temple that houses Sri Lanka’s most important religious relic- the Sacred Tooth of Lord Buddha. The Esala Perahera celebrations are an annual highlight when a replica of the shrine is carried in a procession accompanied by dancers, drummers, and over 100 splendidly clothed and decorated elephants.

Another popular tourist destination in the hill country is Nuwara Eliya, a small town set in the heart of the tea country. Nuwara Eliya meaning city of lights is also known as 'Little England'. British who frequented this hill station fashioned it like a typical English village. The city is famous for beautiful parks, well-kept lawns with hedges, Queen Anne- and Georgian-style homes, an Anglican Church, and a golf course. Climatic conditions in Nuwara-Eliya probably do not match with topical destination characteristics since, it is known as the coldest city of Sri Lanka.

4.3.5 Events:

The Kandy Esala Perahara, Navam Perahara, Kelaniya Duruthu Perahara, Sinhala New Year, Vesak Poya celebrations, Sripada pilgrimage, Poson festival are some unique cultural and religious events. Additionally there are different events through out the year. Some of them are organized by The Sri Lanka Tourist Board as a promotion activity.

4.3.6 Climate

Climatically, Sri Lanka has no off-season for tourists. At sea level the temperature ranges from 25° to 28° C and in the hill country it varies from 12° to 16°C. The mean temperature ranges from a low of 15.8° C in Nuwara Eliya in the Central Highlands (where frost may occur for several days during winter) to a high of 29° C in Trincomalee on the northeast coast (where temperatures may reach 37° C). Rainfall is received mainly during two monsoons with occasional inter-monsoonal showers. Heaviest rainfall is experienced during the southwest monsoon (May-September) with lesser rainfall in the northeast monsoon (December to February).

4.3.7 Meeting Incentive Travel Conferences and Exhibitions

Sri Lanka offers modern facilities for Meetings, Incentive Travel, Conferences and Exhibitions. The Bandaranaike Memorial International Conference Hall (BMICH) is one of the finest convention centres in the South Asia with modern facilities to hold large international conferences. Its main Assembly Hall can accommodate 1,500 persons and is provided with simultaneous interpretation facilities. In addition there are five Committee Rooms for smaller meetings. Among other facilities available are the delegates' lounge, restaurant, cinema, exhibition and display area, press centre and postal and telecom services. Moreover, apart from the BMICH, all large hotels offer outstanding conference facilities with comfortable accommodation. The Convention and Exhibition Centre in Colombo Fort is also a popular venue for International Exhibitions and Fairs.

4.3.8 Rivers, Waterfalls and Lakes

There are 103 rivers/streams with most flowing from the lovely mountains of Sri Lanka. The longest by far is the Mahaweli. The other major rivers in Sri Lanka include, Malwathu Oya, Kelani River, Yan Oya, Kalu Ganga, and Maha Oya. Waterfalls are one of the most fascinating natural phenomena in Sri Lanka. "Sri Lanka in comparison to its size has perhaps the largest number of waterfalls of any country in the world. According to a recent study there are 382 waterfalls in Sri Lanka"

(<http://lankalibrary.com/phpBB/viewtopic.php?t=212>).

Only some of these picturesque waterfalls can be viewed with ease, while others are located within thick forests and in and around tea plantations. Major waterfalls in Sri Lanka include Bambarakanda, Diyaluma, Duhinda, Galagediyana, Ravana, Bopath, Saint Claire, Devon's, Alupolla Ella and the list can go beyond.

4.4 Transportation Services in Sri Lanka

Transportation services to Sri Lanka and within Sri Lanka will be examined in this section. Transportation within Sri Lanka is possible with road, railway, water and domestic air. But it is mainly based on the road network of the country. Although in poor condition, there is a widespread railway network covering a large portion of Sri Lanka. Surrounded by sea and natural network of rivers & lakes give one an idea about potential development of water based transportation network although; it is not widely used for passenger transportation today. Natural and synthetic sea harbours are largely used for cargo transportation. Inland rivers and lakes are used for tourism activities but loosely for long haul transportation among cities.

The Sri Lankan railway network covers the most scenic landscapes in Sri Lanka, the Colombo-Badulla main line runs hugging the steep mountains of the Sri Lankan highlands while the Colombo-Matara (planning to be expanded to extend up to Kataragama) line covers the coastal areas of Sri Lanka. Regular delays in keeping to departure/arrival times, as well as the fact that it takes a much longer time than road transportation together minimum facilities available in the trains have resulted in tourists neglecting to use railway transportation. Road transport accounts for about 93 percent of the land transport in Sri Lanka. Tourism Authority will lead transport within the destination by working closely with the Road Development Authority, Provincial Councils, and Pradeshiya Sabhas for better access roads. Still the roads are narrow, and in general in rather poor condition. The road density is highest in the areas around the major cities. Traffic jams are quite high in morning (from 7-9 AM) and evening (from 5-7 PM) during the peak hours on working days. Under the programme of “Maga Naguma” the present government has begun a massive project to develop highway road infrastructure from the year 2005. Railway and road transportation network of Sri Lanka is depicted in figure 4.3.

Figure 4.3 Road and Railway Transportation Network of Sri Lanka



Source: <http://www.un.org/Depts/Cartographic/map/profile/srilanka.pdf>

There are 23 airports in Sri Lanka (See table 4.3) Bandaranaike International Airport is the country's only International Airport and is located in Katunayaka, 35 km north of Colombo, 99.9 percent of international tourists use it for their arrivals and departures to and from Sri Lanka. The Sri Lankan government has initiated to develop a new international airport at Weerawila. Very few tourists choose sea transport as a mode of transportation. Although there are two main international harbours in Sri Lanka Colombo harbour is the only harbour, which receives international tourists. Airlines operating in Sri Lanka have been divided into

three types, which are inter-regional, intra-regional and charter carriers. The inter-regional flights to Sri Lanka are mainly handled by sixteen airlines while the intra-regional flights are dominated by four airlines and charter carriers are six.

Table 4.3 List of Airports in Sri Lanka

City	Airport	City	Airport
Ampara	Ampara Airport	Jaffna	Kankesanturai Airport)
Ampara	Kondavattavan Tank Airport	Kandy	Vic. Reservoir Kandy Airport
Anuradhapura	Anuradhapura Airport	Katugastota	Polgolla Reservoir Airport
Batticaloa	Batticaloa Airport	Katukurunda	Katukurunda Slaf Base Airport
Bentota River	Bentota River Airport	Kelaniya	Kelaniya River Airport
Colombo	Bandaranayake International Airport	Koggala	Koggala Airport
		Mahaweli	Mahaweli Airport
Colombo	Ratmalana Airport	Minneriya	Minneriya Airport
Dambula	Dambulu Oya Tank Airport	Sigiriya	Sigiriya Slaf Base Airport
Dickwella	Mawella Lagoon Airport	Trincomalee	China Bay Airport
Gal Oya	Amparai Airport	Weerawila	Weerawila Airport
Hatton	Castlereigh Reservoir Airport	Jaffna	Kankesanturai Airport
Hingurakgoda	Hingurakgoda Airport	Kandy	Vic. Reservoir Kandy Airport

<http://airport.u.nu/browse-LK.html>

Chapter 5: Data Presentation and analysis

This chapter will analyse the result from surveys, interview and secondary sources in order to draw general conclusions to answer the research questions of this study. The theoretical framework of the study (except the internal analysis which is done in chapter 4) will be analysed and included in the discussion. This chapter will consist of six sub-sections; each sub-section is assigned for separate variables in the conceptual framework of the study.

The chapter opens with an analysis of tourism competitiveness in Sri Lanka. This is followed by customer analysis and market segmentation for Sri Lanka's tourism industry. Next, the chapter discusses the tourism image of Sri Lanka. This is followed by a section on destination branding in Sri Lanka. Next, positioning strategy of Sri Lanka will be analysed. The chapter ends with a discussion on destination marketing efforts of Sri Lanka.

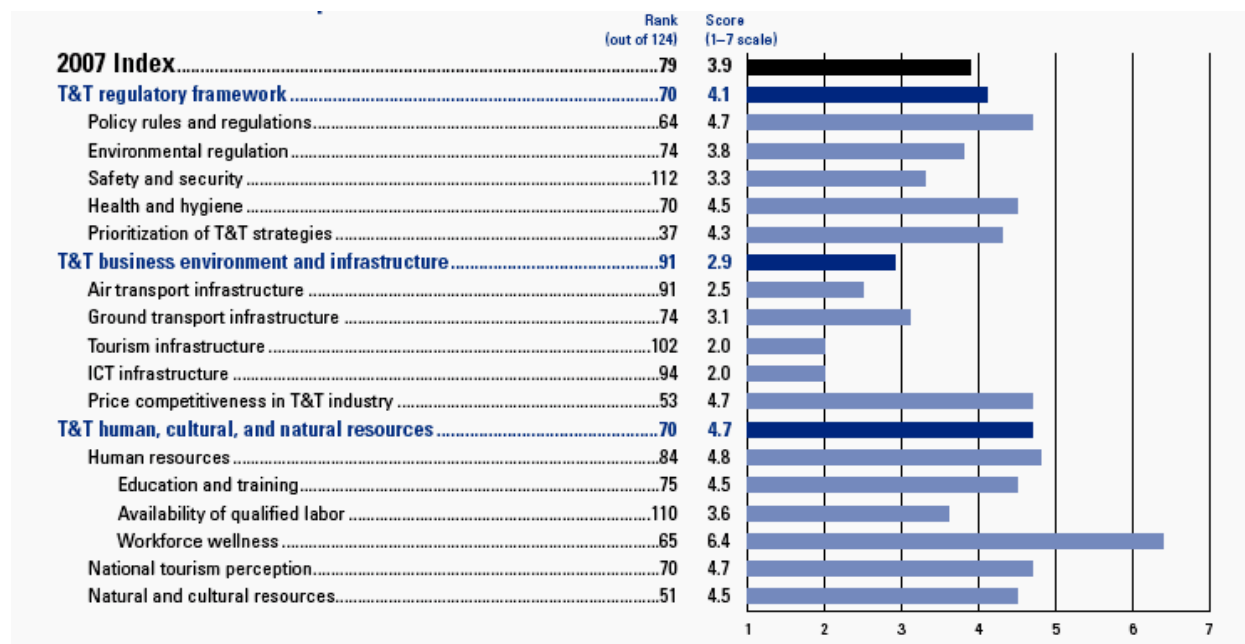
5.1 Analysis of Tourism competitiveness in Sri Lanka

Section	Theory	Practice
5.1	Theory 1	Analysis of Tourism competitiveness in Sri Lanka
Chapter 4	Theory 2	Destination Internal analysis
5.2	Theory 3	Customer Analysis and market segmentation for Sri Lanka's tourism Industry
5.3	Theory 4	Sri Lanka's Image
5.4	Theory 5	Destination Branding in Sri Lanka
5.5	Theory 6	Positioning Strategy of Sri Lanka
5.6	Theory 7	Destination Marketing Efforts of Sri Lanka

Competitiveness of Sri Lanka will be assessed through secondary data sources and international tourist's survey results. Sri Lanka is ranked 79th out of 124 tourism destinations, scoring 3.89 out of 7 scales in the World Economic Forum's Travel & Tourism Competitiveness Index (TTCI). The details of each pillars is given in figure 5.1. Competitiveness of Sri Lanka is higher in the areas of price competitiveness of the T&T industry, environmental regulation and national tourism perception according to the scores they made. Sri Lanka is in the 51st rank as in natural and cultural resources pillar and this is the best rank Sri Lanka gained. However, its safety and security, availability of qualified

labours and tourism infrastructure remain highly under developed. There are also some ICT infrastructure concerns (94th), as well as issues related to air transport infrastructure (91st), with a single international airport and plenty of domestic airports that is low by international standards.

Figure 5.1: Travel & Tourism Competitiveness Index of Sri Lanka



Source:

<http://www.weforum.org/en/initiatives/gcp/TravelandTourismReport/Resources/index.htm>

5.1.1 Travel and Tourism Regulatory Framework

This will be assessed through data collected with DMO, interviews. Responses to Question 1 of the interview check list will be used to descriptive data analyse in this section.

Short-term and unpredictable policy and regulatory framework resulting partly from unstable political structures; without clear and consistent long term policies on travel and tourism have caused Sri Lanka's policy environment to be defined as unfavourable to the development of the tourism sector (ranked 70th). Although, government has passed necessary laws and regulations to conservation and reservation of tourism resources, in some cases weak and ineffective regulatory and enforcement mechanisms does not function in the way to achieve the objectives of those regulations. For example, Sri Lanka described its regulatory measures to prevent erosion of tourism resources, including ban on building hotels within 200 meters

from the natural vegetation line. But, interviews with hotel managers reveal this law is not applicable to person who bear the political or referent political powers.

Non-uniform customs rules and practices, and administrative inefficiencies and ineffective application of regulations can be considered as another issue with regulatory framework in Sri Lanka. Complex and non-transparent rules, regulations, standards, procedures and complicated documentation also have a negative impact on lower level of score in the regulatory pillar.

The Sri Lanka Tourism Ministry and the Ceylon Tourist Board with the assistance of the United Nations International Children's Emergency Fund are working out plans to minimize and eliminate child sex tourism in Sri Lanka. This policy initiative has lead to creating a socially responsible travel and tourism industry. Sri Lankan government is implementing an education program for tourists and those involved in the industry to educate that child sex tourism is totally illegal and unacceptable in Sri Lanka. This program intends to participate, travel organizations, hotels and others who stand to profit both directly and indirectly from international tourism are urged to co-operate and proactively work to eliminate child sex tourism in the country. The ultimate objective of this program is to eliminate Sri Lanka's image of child sex destination.

Addressing policy and regulatory issues that benefit industry competitiveness, the government of Sri Lanka has taken initiatives to reform the policy environment. These could include civil aviation policy, reforms to improve tourism-related infrastructure, policies for taxation, tourism planning and regulation, land planning and environmental protection.

The Government's initiative to begin a low cost airline has succeeded with the introduction of a new airline namely "Mihin Air" which commenced operations from February 2007, covering major cities in the SAARC countries, and other cities in the UK, Germany, China and Middle East. This policy initiative will help many prospective tourists of these countries as Mihin Air travel costs would be affordable

Homosexuality is considered illegal in Sri Lanka. Photography and video taping in high-security zones (HSZs) is prohibited. All military establishments and some government buildings, including official residences, have been declared as HSZs. In August 2006, the

Government of Sri Lanka announced restrictions on the use of satellite telephones in un-cleared and operational areas (including territorial waters) north, northeast and northwest of Sri Lanka. Permission from the Ministry of Defence must be obtained before using satellite telephones in these areas. These regulatory facts have a direct adverse effect of mean value of the regulatory framework.

5.1.2 Health and Hygiene Issues

This section contains the data gathered through interviews and international tourists' survey. The standard of medical and ancillary treatment in Colombo is in better condition than most of the developing countries. Medical facilities outside Colombo are limited with no reliable emergency services available. Malaria occurs in all areas of Sri Lanka except for the districts of Colombo, Galle, Kalutara and Nuwaraeliya. Outbreaks of other mosquito-borne diseases (including dengue fever, chikungunya fever, Japanese encephalitis and filariasis) occur from time to time. Food-borne, water-borne and other infectious diseases (including typhoid and hepatitis) are prevalent with more serious outbreaks occurring from time to time.

Table 5.1 Descriptive Statistics on Health and Hygienic Condition of the Destination

Question	Description	Mean	Std. Deviation
<i>"It is a destination with unhygienic conditions"</i> , International Tourists Survey (ITS)	Hygienic Condition of the Destination	3,2824	1,00976

Source: Survey Data February-March 2007

The international tourists' survey of the study reveals that tourists have perceived that Sri Lanka's hygienic condition as moderate degree. This was assessed through the question on tourists perception *"It is a destination with unhygienic conditions"*. Since it was negatively framed question values for ranking was reversed as strongly disagree = 5 to strongly agree = 1. The mean value of this pillar is 3.28 out of 5 scales and standard deviation is 1.01. Only 4 out of 131 described Sri Lanka's health and hygiene as worst while 19 agreed on the opposite direction (refer table 5.1 and 5.2).

Table 5.2 Healths and Hygienic Condition of the Destination

Question	Level of Agreement	Frequency	Percent
<i>“It has high standards of hygiene and cleanliness”, ITS</i>	Strongly Disagree	4	3,1
	Disagree	22	16,8
	Moderate	57	43,5
	Agree	29	22,1
	Strongly Agree	19	14,5

Source: Survey Data February-March 2007

On the other way, people who travel to Sri Lanka do not expect better health and hygienic condition. This confirms with the agreement with lower degree (mean 3.04) on *“It has high standards of hygiene and cleanliness”,* the question on the motive for travelling to Sri Lanka section of international tourists’ survey (refer table 5.3).

Table 5.3 Descriptive Statistics on Health and Hygiene Motive

	Mean	Std. Deviation
Health and Hygiene Motive	3,0382	0,98765

Source: Survey Data February-March 2007

5.1.3 Safety and Security

Terrorist activities in the North and East Provinces of Sri Lanka, the capital city of Colombo and other areas of the country remain a serious threat. Since 1997, the State Department has included the Liberation Tigers of Tamil Eelam (LTTE) on its list of foreign terrorist organizations. Ongoing war between Sri Lankan government and LTTE terrorists has adversely affected the tourism industry in Sri Lanka. On July 24, 2001, LTTE terrorists

attacked the Colombo International Airport and destroyed both commercial and military aircrafts. In March and April 2007, they used light aircraft to attack the military area of Bandaranaike International Airport. Although no tourists were injured or killed, most of the tourist generating countries warned tourists to prevent from travelling to Sri Lanka. Some of the governments have advised tourists not to travel north of a line from Petaluma on the west coast through Anuradhapura in the central north and Nivaveli in the east. Areas north of this line have been recognized as very dangerous. Travel in the north of Sri Lanka poses significant security risks.

Erratic driving and bad road conditions contribute to frequent traffic accidents; often-involving pedestrians are other facts in concern with safety and security issues.

Table 5.4 Safety While Travelling Motive

Question	Level of Agreement	Frequency	Percent
“Sri Lanka has personal safety even travelling alone” International tourists’ survey(ITS)	Strongly Disagree	2	1,5
	Disagree	34	26,0
	Moderate	45	34,4
	Agree	33	25,2
	Strongly Agree	17	13,0

(Source: Survey Data February-March 2007)

Even with warnings from media and the governments, tourists who have been travelling to Sri Lanka have not believed that Sri Lanka is an unsafe destination for travel. Table 5.4 reveals that only 2 people out of 131 has believed Sri Lanka to be very unsafe destination to travel before arriving there. Majority of tourists fall to middle level while 13% believing it is very safe destination to travel (refer table 5.4).

Crime is another issue address in the security and safety pillar. According to tourism related websites, Sri Lanka has a rising crime rate

(for an example, http://www.smarttraveller.gov.au/zw-cgi/view/Advice/Sri_Lanka#top#top).

As Australian High Commission explained in the website “Aggressive crime is increasing, and there have been reports of police inaction in certain cases... Petty street crime such as purse snatching and pick-pocketing is common, especially on crowded local public transportation, in transportation hubs, and in public markets... cases of credit card fraud have been reported” (http://www.smartraveller.gov.au/zw-cgi/view/Advice/Sri_Lanka#top#top).. But the survey results on table 5.5 disclose that majority of tourists do not believe Sri Lankans as cheating people. Similar results are evident even table 5.6 with unethical practices in T&T.

Table 5.5 Cheating People Perception

Question	Level of Agreement	Frequency	Percent
“Sri Lankans are not cheating”, ITS	Strongly Disagree	2	1,5
	Disagree	16	12,2
	Moderate	26	19,8
	Agree	59	45,0
	Strongly Agree	28	21,4

Source: Survey Data February-March 2007

Table 5.6 Unethical Practices in Tourism Perception

Question	Level of Agreement	Frequency	Percent
“Sri Lanka has unethical practices in T&T industry”, ITS	Strongly Disagree	9	6,9
	Disagree	7	5,3
	Moderate	66	50,4
	Agree	41	31,3
	Strongly Agree	8	6,1

Source: Survey Data, February-March 2007

Descriptive statistics on security and safety measures in Table 5.7 disclose that Sri Lanka has above average safety and security for international travellers. Even though, those mean figures exceed the moderate three none of them exceeds satisfactory four. This points out that these issues are not properly developed for the development of the industry.

Table 5.7 Descriptive Statistics on Safety and Security

	Mean	Std. Deviation
Safety while travelling Motive	3,2214	1,02500
Cheating People Perception	3,7252	,98491
Unethical Practices in Tourism Perception	3,2443	,91224

Source: Survey Data, February-March 2007

5.1.4 Travel and Tourism Business Environment and Infrastructure:

Profile of tourism infrastructure in Sri Lanka and tourism business environment is discussed in chapter 4 under the internal analysis of destination.

The measures for this pillar are depicted in Table 5.8. The table shows the mean scores for each factor, out of the maximum of 5. All the listed factors' means are above the "neutral" 3 except to quality of roads. A large number of respondents were not satisfied with their experience of inconveniences on roads due to heavy traffic congestions. They have criticized the narrow and low quality roads of the country. They are convinced of the requirements for developing the road infrastructure facilities more than present. Moreover, tourists perceived Sri Lanka as a country of great hospitality with a significant level of approval exceeding the satisfying four mean. Inexpensive shopping facilities also receive similar response although with fewer acceptance than hospitality. Rest of the pillars (except roads) is positioned between moderate and satisfactory mean values.

Interviews with the Tourist Board reveal that DMOs expect to overcome the negative perception on roads infrastructure with implementation of "Maga Naguma" project. This project intends to build and develop the road infrastructure of the country. The tourists are significantly satisfied with hospitality services and shopping facilities of the country.

Generally tourists believe that facilities and infrastructure in T&T industry is not adequately developed for generating higher degree of satisfaction for tourists. In compliance with interview data, Sri Lanka will be moved to better position in this pillar with the development

of road infrastructure and ICT infrastructure. The government of Sri Lanka has taken significant initiatives to develop the ICT infrastructure as well. E-vision of Sri Lanka can be considered as a better example for the government movements towards ICT facilities.

Table 5.8 Descriptive Statistics on T&T Business Environment and Infrastructure

Sri Lanka...	(1=disagree, 5=agree)	
	Mean	Std. Deviation
offers great hospitality to tourists	4,3282	,73843
is good for inexpensive shopping	4,0458	,98342
has quality deluxe hotels	3,8321	1,04626
has poor guide services	3,8015	,83592
has quality environmental	3,6794	,91372
has good transportation facilities	3,1985	1,21794
has better ICT infrastructure	3,1221	,85954
has well developed tourist facilities	3,0840	,88612
has higher quality roads	2,3206	1,09029

Source: Survey Data, February-March 2007

5.1.5 T&T Human Cultural and Natural Resources

The results for T&T human, cultural and natural resources-related factors in determining tourism competitiveness in Sri Lanka are shown in Table 5.9. Climatic Conditions (Weather) of the country scores the highest mean value. Availability of touristy landmarks featured prominently (ranking 2nd), supported by availability of world heritage sites and world's rare attractions. Tourists have less than moderate level of satisfaction on the festivals (2.37), sports (2.40) and nightlife (2.99) of the destination while rest of the factors score above average mean value.

The range of scores with the human, cultural and natural-related factors is quite high ranging between a high of 4.23 to a low of 2.37.

In the overall competitiveness assessment only four items had mean responses below the neutral value of three, including “quality of roads”, “festival atmosphere” and “nightlife” of the destination. Top ranking items “quality of hospitality services”, “Weather” and “Touristy landmark s” gained almost universal agreement across the sample.

Table 5.9 Descriptive Statistics on T&T Human Cultural and Natural Resources

Sri Lanka is a country with...	(1=disagree, 5=agree) Mean	Std. Deviation
Historical Places	4,0229	1,01121
Friendly People	4,1298	,93147
Cultural Attractions	3,5038	1,07685
Attractive Festivals	2,3740	1,17889
Sports	2,4046	1,32884
Touristy landmark s	4,2061	,79147
Better Night Life	2,9924	,96473
Nice Weather	4,2290	,84639
Adventure Activities	3,9618	,75859

(Source: Survey Data February-March 2007)

5.2 Customer Analysis and Market Segmentation for Sri Lanka's Tourism Industry

Section	Theory	Practice
5.1	Theory 1	Analysis of Tourism competitiveness in Sri Lanka
Chapter 4	Theory 2	Destination Internal analysis
5.2	Theory 3	Customer Analysis and market segmentation for Sri Lanka's tourism Industry
5.3	Theory 4	Sri Lanka's Image
5.4	Theory 5	Destination Branding in Sri Lanka
5.5	Theory 6	Positioning Strategy of Sri Lanka
5.6	Theory 7	Destination Marketing Efforts of Sri Lanka

This section analyses the profile of respondents based on the demographic, geographic and behavioural variables. This section intends to provide a general picture of the tourists who visits to Sri Lanka.

5.2.1 Demographic Variable:

Study will use category of employment, preferred language in communication, ability to speak local languages, number of previous visits, age and gender as demographic variables to explain the nature of international tourists.

5.2.1.1 Type of Employment

Respondents, classified by occupational categories show (table 5.10) that more than one fifth (23.5 per cent) belonged to Business Employees while almost one fifth (19.8 per cent) belonged to Health Employees. Students represented 18.3 percent of the sample. More than one tenth (11.5 per cent) of the respondents were in other categories and nearly one tenth (9.2 per cent) of the respondents were unemployed. Educational employees, Government employees and retired represented the residual.

Table 5.10: Category of Employment

Type of Employment	Frequency	Percentage
Government Employee	9	6,9
Business Employee	34	26,0
Educational Employee	10	7,6
Health Employee	26	19,8
Unemployed	12	9,2
Student	24	18,3
Retired	1	,8
Other	15	11,5

Source: Survey Data, February-March 2007

5.2.1.2 English as Preferred Language

More than half (52.7%) of international tourists prefer to speak in English while 47.3% do not (Table 5.11). The majority of tourists speak English (47.3%) followed by German (9.2%), Italian (9.2%) and Norwegian (8.4%). The languages used by the rest of tourists included Dutch, Hindi, French, Swedish, Tamil, Tristan, Danish, Chinese, Japanese and Urdu in order of their percentages (table 5.12). Even though, English was not their main language a significant amount of tourists (5.4%) preferred to communicate in English while the rest of tourists preferred to communicate in their own languages.

Table 5.11: English as Preferred Language

Description	Frequency	Percentage
English is not preferred language	62	47,3
English is the preferred language	69	52,7

(Source: Survey Data February-March 2007)

As in the Table 5.13, only 13.7% of international tourists had the ability to speak either Sinhala or Tamil. Most of them noted that they can speak only a bit of either Sinhala or Tamil. People who stay long durations in the hill country and travelled in the Eastern province have the ability to speak in Tamil while the rest had the ability to speak Sinhala. People who spoke either of the languages had stayed more than 3 months in Sri Lanka and most of them were students. Interestingly, the majority of them were females.

Table 5.12: Main Languages Used By Tourists

Language	Frequency	Percentage	Language	Frequency	Percentage
Chinese	2	1,5	Japanese	1	,8
Danish	2	1,5	Norwegian	11	8,4
Dutch	7	5,3	Polish	1	,8
English	62	47,3	Swedish	3	3.8
German	12	9,2	Tamil	2	1,5
Hindi	6	4,6	Tristan	2	1,5
Italian	12	9,2	Urdu	1	,8

(Source: Survey Data February-March 2007)

Table 5.13: Ability to Speak Local Languages

Description	Frequency	Percent
Do not speak either Sinhala or Tamil	113	86,3
Has ability to speak Sinhala or Tamil	18	13,7

(Source: Survey Data February-March 2007)

5.2.1.4 Age of the Tourist

It was found (Table 5.14) that most of the tourists were (32.9 per cent) between the age category of 20-39, while 24.4 per cent were between the age category of 16-25 and 19 per cent were 36-45 category. The balance 23.7 per cent belonged to the category over 46 years.

Table 5.14: Frequency Distribution of Tourists' Age

Age Category (Years)	Frequency	Percentage
16-25	32	24,4
26-35	43	32,9
36-45	25	19,0
46-55	21	16,1
56 and above	10	07,6

Source: Survey Data, February-March 2007

5.2.1.5 Gender of Tourists

Although majority represents females (51.1%) almost equal numbers of female and male tourists travel to Sri Lanka.

Table 5.15: Gender of Tourists

	Frequency	Percent
Male	64	48,9
Female	67	51,1

(Source: Survey Data February-March 2007)

5.2.1.6 Number of Visits to Sri Lanka

Majority of travellers to Sri Lanka were first time visitors (69.5%). Repeat visitors represent 30.5 percent of international travellers (5.16). Majority of repeat travellers (13.7%) have travelled twice before the current attempt. Only 15 percent of the travellers have visited Sri Lanka more than 5 times (See table5.17). Repeat visitors take around 34 months (1 year and 10 months) for their next visit to Sri Lanka.

Table 5.16: Repeat and First-Time Visitors

Description	Frequency	Percent
Repeat Visitors	40	30,5
First time Visitors	91	69,5
Total	131	100,0

Source: Survey Data, February-March 2007

Table 5.17: Number of Previous Visits

Number of Previous visits	Frequency	Percent	Valid Percent
1,00	5	3,8	12,5
2,00	18	13,7	45,0
3,00	5	3,8	12,5
4,00	6	4,6	15,0
5,00	3	2,3	7,5
6,00	1	0,8	2,5
7,00	1	0,8	2,5
10,00	1	0,8	2,5
Total	40	30,5	100,0

Source: Survey Data, February-March 2007

5.2.2 Geographical Segmentation: Country of Residence

This section of the report uses both international tourists' survey results and secondary data for analysis. Sri Lanka's share of the international tourist market is relatively small. It is less than one percent of world tourism arrivals and receipts (WTO, 2007). In part this is a result of the distance of Sri Lanka from the major tourism-generating parts of the world namely, North America, Western Europe, and Japan and also a result of negative stereo types which have perpetuated the image of political instability and the current ongoing war with terrorism.

The increasing air accessibility is opening the country for new tourist generating markets. This has been strength where the industry has now been able to move beyond traditional markets. The following were the top ten country generating markets for Sri Lanka in 2006. Table 5.18 shows a comparison of the Top-ten source markets for tourism to Sri Lanka in the years 2004 and 2005.

Table 5.18 Top Ten Inbound Tourist Source Markets to Sri Lanka

Market	Total Arrivals 2005	Total Arrivals 2004	Percentage Share 2005
India	113,323	105,151	20.6
United Kingdom	92,629	106,645	16.9
Germany	46,350	58,258	8.4
France	26,653	29,996	4.9
Australia	25,986	23,247	4.7
United States of America	25,272	15,126	4.6
Maldives	24,576	15,013	4.5
Canada	21,185	20390	3.9
Japan	17,148	19,641	3.1
Netherlands	15,156	21,455	2.8
Total of top ten sources	408,278	413,394	74.4

(Source: Sri Lanka Tourist Board, 2005)

The changes in the relative importance of major source markets can be seen from this table. Thus, India emerged as the top producer in 2005 by beating the UK, when arrivals from India increased from 105,151 in 2004 to 113,323 in 2005. Consequently, the UK slipped to the second position with a drop in arrivals from 106,645 in 2004 to 92,629 in 2005. Germany, France and Australia retained their positions as third, fourth and fifth largest producers, although in absolute terms only Australia produced an increase in traffic. The USA and the Maldives, who occupied the ninth and the tenth positions respectively in 2004 moved up to sixth and the seventh positions, with substantial increases in arrivals in absolute terms.

It is evident that the dominance of Western Europe as the major market source for Sri Lanka is gradually dwindling from 63.2 per cent in 1999 to 50.2 per cent in 2004 and to 41.3 per cent in 2005. On the other hand, the market share of South Asia has expanded from 14.4 per cent in 1999 to 23.6 per cent in 2004 and to 27.9 per cent in 2005. This is mainly due to the growing importance of the Indian Market as a major source of tourism to Sri Lanka.

Table 5.19: Geographic Information for Segmenting the Market

Country	Frequency	Percent	Country	Frequency	Percent
Australia	15	11,5	Italy	12	9,2
Belgium	7	5,3	Japan	1	,8
Canada	1	,8	Netherlands	2	1,5
China	2	1,5	Norway	11	8,4
Denmark	2	1,5	Poland	1	,8
England	42	32,1	Sweden	3	2,3
France	5	3,8	Switzerland	1	,8
German	11	8,4	United States of America	6	4,6
India	9	6,9			

(Source: Survey Data February-March 2007)

Table 5.19 depicts the international tourists' survey sample distribution by country of origin. As in table 5.19 largest proportions of tourists were from England followed by visitors from Australia, Italy, German and Norway. Rest of the countries altogether represents 30.4% of the sample.

The majority did not gain the package tour facility. All of them have used air transport for arriving in Sri Lanka. It was found that more than half of the tourists received information about Sri Lanka from their friends. India is the largest South Asian country that generates tourists to Sri Lanka. China and Japan represent the rest of Asia. Europe is still leading in generating tourists to Sri Lanka.

5.2.3 Behavioural Variables

Behavioural variables to describe the nature of tourists of this study include Purpose of travelling, motivations for travelling and places visited in Sri Lanka.

5.2.3.1 Purpose of Travelling

A major proportion of the respondents (55.5%) declared their purpose of visit as Holidays or Leisure. Second main purpose to visit Sri Lanka was study, this category stand for 18.3%. Tourists for other purposes represent 12.2% and 9.9% were for more than one purpose. As in Table 5.20 3.1% came for Business and 1.5 % for visiting friends and relations.

Table 5.20: Purpose of Travel

Purpose of travel	Frequency	Percent
Business	4	3,1
Leisure	72	55,0
Visiting Family	2	1,5
Study	24	18,3
Other	16	12,2
Multi	13	9,9

(Source: Survey Data February-March 2007)

5.2.3.2 Motivation for Travelling to Sri Lanka

The mean scores of tourists' motivations on each of the 40 attributes were computed. Most items were answered positively by respondents. Only thirteen items had mean scores lower to neutral three. The mean score were very high for “Increasing Knowledge on Places, People and other things Motive” (4.4046) this was followed by, “Enjoying Outstanding Scenery” (4.145), “Meeting New and Different People” (4.1298), “Seeing Different Ethnic” (4.1298), “Experiencing Nice Weather (4.1221)”, “Visiting Historical Places (4.0229)”, “Visiting Rural

and Places and Country Side (4)". Lower to 4 mean scores were observed for rest of the items.

The lowest scored motivational factors were Best Deal Motive 2.2595 Experiencing cultural events Motive 2.374 Experiencing Festival Atmosphere Motive 2.374 Visiting Friends Motive 2.3817 Sports Motive 2.4046 Meeting Relatives Motive 2.458 Travelling as Family Motive 2.5115 Comprehensive Information Motive 2.6947 Activities for Family Motive 2.7176 Experiencing luxury hotels Motive 2.7328 Practicing Different Languages Motive 2.8779 Be in Romance Motive 2.9008 Shopping Motive 2.9466 and Currency Advantages Motive 2.9542.

Basic descriptive statistics for all tourists' motivational factors are presented in Table 5.21. Based on the 40 motivational factors in the Table 5.21, twelve different market segments are identified. They are named as;

- | | |
|--------------------------------|---|
| 1. "Escape Ordinary /Relaxing" | 7. "History and Culture Lovers" |
| 2. "Novelty Seekers" | 8. "Adventure & Sports Players" |
| 3. "Nature Explorers" | 9. "Relationship Builders" |
| 4. "Self Development Seekers" | 10. "Value Maximize" |
| 5. "Fun and Thrill Seekers" | 11. "Family Travelers" and |
| 6. "Safety Seekers" | 12. "Shopping Foods and Hotel Hunters". |

The first domain of "Escape Ordinary /Relaxing" consists of four motivation items. The second domain of "Novelty Seekers" contained four items, representing the characteristics of Cohen's (1972) allocentric type travellers. The third domain included three items, which characterized with experiencing weather, scenery, and environment. The fourth domain consists of five items that represent increased knowledge. The fifth "Fun and Thrill Seekers" consists of two items representing romance and excitement attributes. The sixth pillar represents the Cohen's Psychocentric segment with two items in list. Cultural and historical attributes related motivation with four items is represented by "History and Culture Lovers". One of the new market segments Sri Lanka targets as in the "Strategic Plan of Sri Lanka Tourism: 2004" will be represented by "Adventure & Sports Players" with two main items in list. "Relationship Builders" are often known as "visiting friends and relatives" in most of the literature consists of three main items. "Value Maximize" has never seen in any previous

literature and will be represented with attributes of saving money, time and effort. “Family Travellers” consists of two main items and the final domain contains three items that relate to shopping, hotel and food experiences.

Motivational differences were identified by using an aggregate mean and are illustrated in Table 5.2.1. As in the aggregate mean scores majority of the international travellers to Sri Lanka can be described as “Nature Lovers” and “Novelty Seekers” since, they bear the highest means respectively. The least motivational segments to Sri Lanka are “Family Travellers”, “Value Maximize” and “Relationship builders” in that order. These three segments aggregate mean values are under the neutral three. None of the segment scores more than four in the aggregate mean.

Table 5.21: Segmentation Based on Motivations for Travelling

Segment	Motivation (My motivations for travelling Sri Lanka are....)	(1=disagree, 5=agree)		Aggregate Mean
		Mean	Std. Deviation	
Escape/relax segment	Relaxing	3.3359	1.18718	3.3092
	Being Away from Job	3.1298	1.54121	
	Being Away from Ordinary	3.6412	1.13726	
	Being Away from Home	3.1298	1.46968	
Nature Explorers	Experiencing Quality Environment	3.6794	.91372	3.9351
	Experiencing nice weather	4.1221	1.00784	
	Enjoying Outstanding Scenery	4.1450	1.00094	
	Enjoying Sun & Warmth	3.7939	1.10744	
Novelty Seekers	Different Vacation	3.5802	.92781	3.9275
	First time Visit	3.9313	1.39885	
	Visiting Rural Places and Country side	4.0000	1.03775	
	Experiencing different lifestyle	3.9389	1.00580	
	Seeing Different Ethnics	4.1298	.95593	
	Receiving Lifelong Remembrance	3.9847	1.10234	

Self Development Seekers	Doing Study Activities	3.6183	.94020	3.3577
	Gathering Information	2.6947	1.18901	
	Looking at Unique indigenous People	3.6336	1.06847	
	Increasing Knowledge on Places, People and other things	4.4046	.87511	
	Practicing Different Languages	2.8779	1.14370	
Fun and Thrill Seekers	Be in Romance	2.9008	1.17575	3.1374
	Finding Thrill and Excitement	3.3740	1.00258	
Safety Seekers	Hygiene and Cleanliness	3.0382	.98765	3.1298
	Safety while travelling	3.2214	1.02500	
History and Culture Lovers	Visiting Historical Places	4.0229	1.01121	3.0687
	Participating cultural events	2.3740	1.17889	
	Experiencing Festival Atmosphere	2.3740	1.15249	
	Visiting Cultural Attractions	3.5038	1.07685	
Adventure and Sport Players	Adventure	3.7634	.99871	3.1909
	Doing Outdoor Activities	3.4046	1.20114	
	Sports	2.4046	1.32884	
Relationship Builders	Meeting New and Different People	4.1298	.93147	2.9898
	Meeting Relatives	2.4580	1.56529	
	Visiting Friends	2.3817	1.61464	
Value Maximizes	Currency Advantages	2.9542	1.41347	2.9294
	Best Deal	2.2595	1.14077	
	Value for Money	3.3053	1.16944	
	Easy Travelling	3.1985	1.21794	
Family Travellers	Activities for Family	2.7176	1.03236	2.6146
	Travelling as Family	2.5115	1.23017	

Shopping	Having New Foods	3.7786	1.09045	3.1527
Foods and	Shopping	2.9466	1.34343	
Hotel Hunters	Experiencing luxury hotels	2.7328	1.39683	

(Source: Survey Data February-March 2007)

5.2.3.3 Places Visited

Tourists were asked to indicate the attractions they had visited during this trip. Table 5.22 reports the major tourist attractions visited by international tourists. It was found that almost 75.6 % of the international tourists visited Colombo city, which is the capital city of Sri Lanka.

Table 5.22: Major Attractions Visited

Destination	Percentage
Colombo	75.6
Cultural Triangle	68.7
Nuwaraeliya	59.5
Galle, Matara, Hambantota (Southern Coastal Area)	52.7
Wildlife Parks and rainforests	45.8
Pinnawala Elephant Orphanage	44.3
Adam's Peak	30.5
East Coast	07.6
Unpopular Tourist destination	03.1
Jaffna	02.3

(Source: Survey Data February-March 2007)

The second popular attractions cover the cultural triangle of Sri Lanka including Kandy, Polonnaruwa and Annuradhapura. These places were visited by 68.7 %. Nuwara-Eliya had attracted nearly 59.5 percent of tourists. While beaches in the southern part of the country attracting over half of the tourists rest of the destinations attracted less than half of tourists.

Interestingly, Pinnawala elephant Orphanage has attracted 44.3 % of tourists, which was almost similar to the all of other wildlife parks. The four least visited attractions in Table 5.22 received less than 31 % of the tourists. Only 3.1% tourists had visited unpopular tourist destinations. Interestingly, even with danger 2.3% international tourists had visited Jaffna, which is situated in the Northern Province of Sri Lanka.

5.2. 3. 4. Multi Variable Segmentation

This section will utilize more than one variable at a time to recognize some market segments. This section merges motivational segment with geographical and demographical segments and demonstrate the characteristics of motivational segments.

Deviations in Motivations for travelling among geographical segments are depicted in the Table 7.1 of Appendix V. Respondents from Italy and Switzerland have strong motivation for six segments in the table 5.21, but the set of segments have only three common items such as “Novelty Seekers”, “Self Development Seekers” and “Safety Seekers”. Sweden is the only country other than these two countries, which have strong motivation for Safety item. Interestingly Japanese and Chinese tourists fall into intersect of three common motivations namely “Escape/Relax”, “Nature Lovers”, and “Novelty Seekers”. Self Development Seekers can be found from Australia, France, Italy, Switzerland and United States. The two strong “Fun and Thrill Seekers” are from Denmark and Poland. Tourists from Belgium and Denmark represent only one motivational segment while rest has multi segment representation. “Nature Lovers” can be found from thirteen countries following twelve for “Novelty Seekers”, six for “Escape/Relax” and five for “Self Development Seekers”. There are two main countries for “Fun and Thrill Seekers” and one dissimilar country for “Adventure and Sports Players”, “Relationship Builders”, “Family Travellers”, “Shopping Foods and Hotel Hunter”. None of the Country has strong motivation for representing both “History and Culture Lovers” and “Value Maximize” segments.

Male and Female mean comparison with motivational factors explore that females have larger degree of motivation than male for “Escape/Relax”, “Nature Lovers”, “Novelty Seekers”, “Self Development Seekers”, “Fun and Thrill Seekers”, “Safety Seekers” and “Shopping Foods and Hotel Hunter” segments while males fall to rest of the segments with larger degree

of means. Interestingly both male and female segments bear stronger motivation for “Nature Lovers” and “Novelty Seekers” motivational segments (the table 7.2 of Appendix V)

As in the table 7.3 of Appendix V, the Business Travellers can be recognized as “Relationship Builders”. That was the best motivational segment for Business Travellers since; they do not account strong motivation for any of others. International tourists who come with vocational purpose bear strong degree of motivations for both “Nature Lovers” and “Novelty Seekers”. If the traveller’s purpose of travelling is visiting family they have great probability to fall under “Fun and Thrill Seekers” segment. The travellers with study purpose fall under the “Novelty Seekers” segment with a mean of 3.94. Only the other segment they represent with more than moderate level of mean is “Nature Lovers”. Interestingly the travellers, who mentioned their purpose of travel as “other”, have more than moderate level of interest for all the motivational segments. This was the only segment that demonstrated this type of situation. But, they also have strong mean values for four motivational segments presenting more than 3.75 means namely, “Escape/Relax”, “Nature Lovers”, “Novelty Seekers” and “Shopping Foods & Hotel Hunter”. Travellers who indicate there purpose of travelling as “multi purpose” do not have fall into a single or specified motivational segment and they have diverse range of motivations most of them are very low (even less than moderate three) in mean value.

Relationship between age of the tourists and travel motivations are demonstrated in the table 7.2 of Appendix V. the travel motivations did not present strong relationship with age of the tourist. The strongest relationship was recorded with “Safety Seekers” segment and it was .377. Rest of the pillars exhibited weaker relationship than the degree of relationship between “Age and Safety Seekers”. Only three co-relations coefficients were negative specifically; “Novelty Seekers”, “History & Culture Lovers” and “Adventure & Sports Players”. None of them present more than 0.1 degree of relationship. All the correlation coefficients were accepted with 99% of significant level.

5.3 Sri Lanka's Image

Section	Theory	Practice
5.1	Theory 1	Analysis of Tourism competitiveness in Sri Lanka
Chapter 4	Theory 2	Destination Internal analysis
5.2	Theory 3	Customer Analysis and market segmentation for Sri Lanka's Tourism Industry
5.3	Theory 4	Sri Lanka's Image
5.4	Theory 5	Destination Branding in Sri Lanka
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5.6	Theory 7	Destination Marketing Efforts of Sri Lanka

To solicit tourists' feedback about tourism products and hospitality services in Sri Lanka, tourists were asked to rate their satisfaction with travel attributes they experienced in Sri Lanka. The mean scores of tourists' perceptions on each of the 24 attributes were computed. Table 4 illustrates the mean ratings and standard deviations for these attributes. The survey results showed that tourists perceived diversity as the most valued attribute of Sri Lanka. Cultural heritage and the hospitality services were regarded highly by the tourists. Tourists showed significantly higher satisfaction with the Weather, Touristy Landmarks, Shopping facilities and Adventurous activities available in Sri Lanka. Hotels, Nature, Guiding Services, People, Artistic, and Inexpensiveness, Other facilities, Transport Services, Hygienic Condition, Ethical Practices and ICT facilities availability were perceived as satisfactory by the tourists. However, tourists expressed less satisfaction with Quality of Roads and Nightlife in Sri Lanka, as reflected in the low mean ratings for these attributes.

Based on the statistical analysis performed on the five scaling dimensions (Table 5.23) on 24 individual dimensions study identifies 10 main attributes of the destinations as "Scenic beauty", "Historical and Cultural Attractions", "Safety and Security", "The People of Sri Lanka", "Shopping related attributes", "Hospitality Services", "Transport facilities & ICT", "Diversity", "Adventure" and "Creativity" of the destination. "Transport facilities and ICT" and "Hospitality Services" pillars consist of three items and rest of pillars consists two items for each.

Moreover, the degree of agreement in image of Sri Lanka was particularly great (positively) in the areas of Diversity (4.32825), Historical and cultural attractions (4.2061), Adventure (4.0954), Shopping related attributes (4.0458) and Scenic beauty (4,0191) of the destination correspondingly with means in table 5.23.

Interestingly tourists did not have a considerable bad image on Unethical practices, Nuisance Caused by beggers and Crimes. The negative image created by most of international tourism related websites and publications on these issues discussed earlier on competitiveness analysis in section 5.1, had been rejected by the tourists with their experiences in reality.

Table 5.23: Attributes of Sri Lanka

Main Attribute	Attribute <i>(Sri Lanka is/has.....)</i>	(1=disagree, 5=agree)		Aggregate Mean
		Mean score	Std. Deviation	
Scenic beauty	Close to Nature	3,8092	0,86926	4,0191
	Pleasant Weather	4,229	0,84639	
Historical and cultural attractions	Cultural Heritage	4,3893	0,68582	4,2061
	Historical Places	4,0229	1,01121	
Safety and Security	Better Hygienic Condition	3,2824	1,00976	3,374
	No Crimes	3,4656	0,91397	
The people of Sri Lanka	Trustworthy People	3,7252	0,98491	3,53055
	Soothing Begger	3,3359	0,94958	
Shopping related attributes	Inexpensive Destination	3,5573	1,07532	4,0458
	Destination for Shopping	4,0458	0,98342	
Hospitality Services	Better Hospitality Services	4,3282	0,73843	3,98727
	Deluxe Hotels	3,8321	1,04626	
	Superior Guiding Services	3,8015	0,83592	

Transport & ICT facilities	Better Transport Services	3,3435	1,0286	2,92873
	Quality of Roads	2,3206	1,09029	
	Good ICT facilities	3,1221	0,85954	
Diversity	Diverse Nature	4,4504	0,72551	4,32825
	Diverse Touristy Landmarks	4,2061	0,79147	
Adventure	Adventurous	3,9618	0,75859	4,0954
	Surprising	4,229	0,69686	
Creativity	Artistic Destination	3,6336	0,72543	3,313
	Better Night Life	2,9924	0,96473	

(Source: Survey Data February-March 2007)

More than moderate level agreement on all attributes (except Transport & ICT facilities) has impacted to define the image as being “Diversity”. Contribution of each pillar for the positive image is varied but each of them have impacted collectively for delivering image to tourists of Sri Lanka as a land with diversity.

5.4 Destination Branding in Sri Lanka

Section	Theory	Practice
5.1	Theory 1	Analysis of Tourism competitiveness in Sri Lanka
Chapter 4	Theory 2	Destination Internal analysis
5.2	Theory 3	Customer Analysis and market segmentation for Sri Lanka's tourism Industry
5.3	Theory 4	Sri Lanka's Image
5.4	Theory 5	Destination Branding in Sri Lanka
5.5	Theory 6	Positioning Strategy of Sri Lanka
5.6	Theory 7	Destination Marketing Efforts of Sri Lanka

This part of analysis use the data gathered through both interviews with Tourism Management Organizations and the international tourists' survey. The information will primarily be used in connection with Section 5.3 Destination Image.

5.4.1 Characteristics of Sri Lanka

The most interesting question posed in the questionnaire was (question number 10) "What do you like most in Sri Lanka?" Considering that it is an 'open' question the respondents have mentioned numerous different image components, Table 5.24 has grouped them into different categories using frequency analysis.

Table 5.24: Most preferred in Sri Lanka

Attribute	Percentage	Attribute	Percentage
People	60,5	Culture	13,0
Nature	39,4	Hotels	10,7
Beaches	22,0	History	9,9
Weather	20,7	Wildlife	5,4
Foods	15,4	Shopping	1,5

Source: Survey Data Analysis, 2007

As in the results of study (Table 5.24) greater part of the respondents characterize Sri Lanka as country of friendly and attractive people. The percentage of agreement to this characteristic (60.5%) was significantly higher than the rest. Some of the respondents had used “charming”, “pleasant”, “polite” and “decent” adjectives to confirm their agreement to this characteristic. Therefore, “the friendly & attractive people” characteristic can be recognized as the dominating image attribute of Sri Lanka.

Around 40% of the respondents also mention that Sri Lanka has diverse and attractive nature. This was the second mostly quoted characteristic of the destination. Moreover the respondents associated Sri Lanka with Beaches (22%), Weather (20.7%), Foods (15.4%), Culture (13%), Hotels (10.7%) and History (9.9%) dimensions as well. Although least, wildlife (5.4%) and shopping (1.5%) were also among the list of most preferred attributes of Sri Lanka.

5.4.2 Core Values of Destination Brand of Sri Lanka

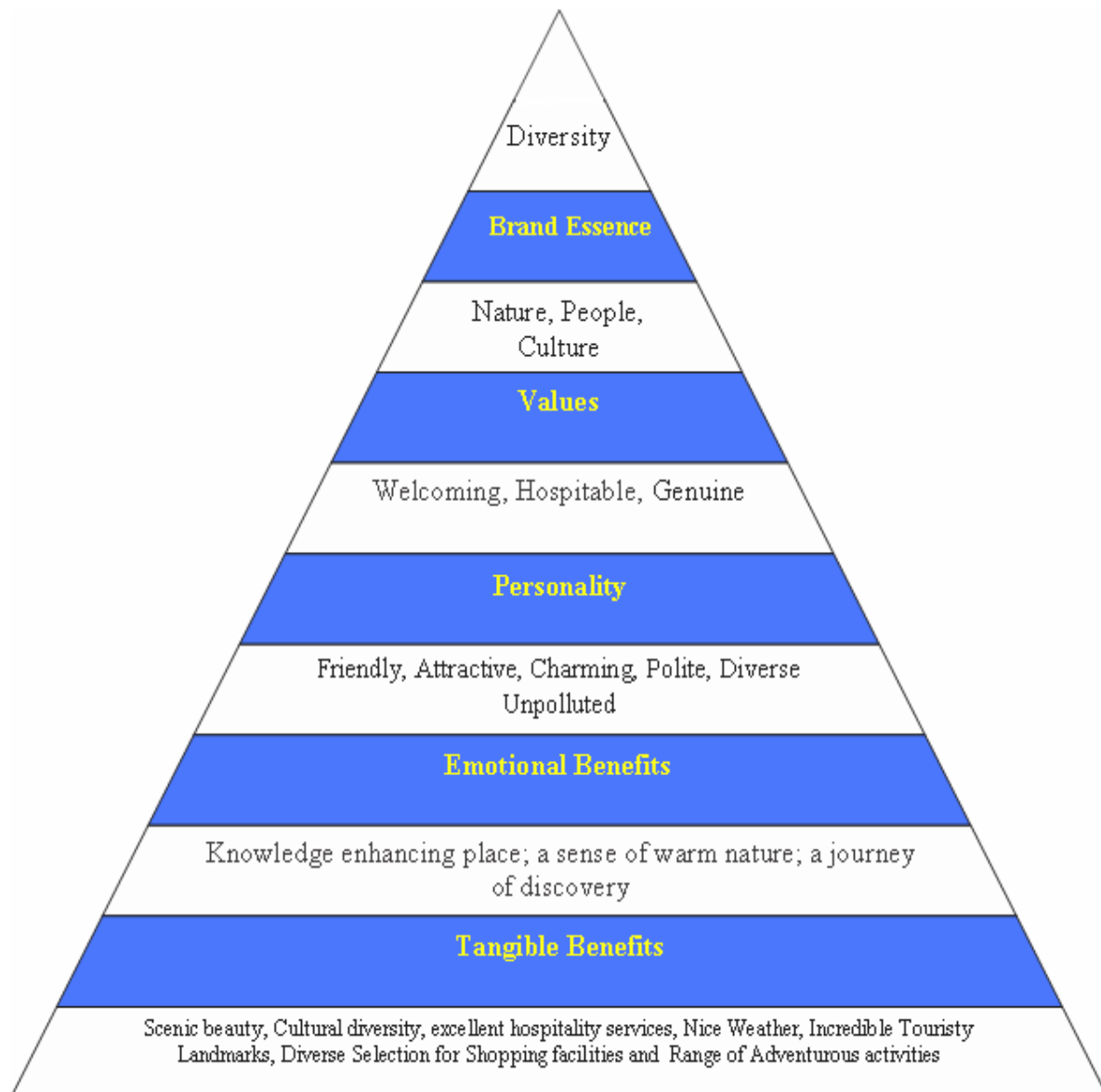
For the purpose of establishing core values for Sri Lanka’s brands, the content and essence of the Sri Lanka’s tourism brand is depicted in the Figure 5.2; Brand Pyramid.

According to the international tourists’ survey, tourists believed that there is always something new and exiting to discover in Sri Lanka when travelling a few kilometres between two local destinations. Thus, it is the core brand essence to be communicated. Although, Silva P L, (1997) expects something different with core values of tourists still tourists describe Sri Lanka as a destination inhabited by welcoming, genuine and hospitable natives. More ever, findings on survey reveal that tourists were described the personality of Sri Lanka as "Friendly, polite & charming people", “attractive, unpolluted & diverse nature”, “multi ethnical diverse culture". As in the Figure 5.2, the emotional benefits of the destination are “knowledge enhancing”, “a sense of warm nature” and “a journey of discovery”. More ever, brand pyramid lists the tangible benefits of the destination as “Scenic beauty”, “Cultural diversity”, “excellent hospitality services”, “Nice Weather”, “Incredible Touristy Landmarks”, “Diverse Selection for Shopping facilities” and “Range of Adventurous activities”.

5.4.3 Brand Logo

Figure 5.3 depicts the current brand logo of Sri Lanka. It is the symbol used often by the Sri Lanka Tourist Board in their promotional activities. A white frame surrounds the logo. Inside the frame the word 'Sri Lanka' and statement of "A land like no other" is printed in the bottom of the logo and above "flower offering hand", is depicted with orange and brownish red lines. The logo intends to communicate the friendly & welcoming nature of the inhabitants while emphasizing the diversity of the destination with texts in bottom.

Figure 5.2: Brand Pyramid of Sri Lanka



Source: Research Data Analysis, 2007

Figure 5.3: Current Logo of the Destination



Source: Promotional Materials of Sri Lanka
Tourist Board

Figure 5.4: Brand Logo before modifications



Source: Promotional Materials of Sri Lanka
Tourist Board

The colours used for the brand logo were not matched with the brand personality and values of the destinations. Orange is associated with joy, sunshine, and the tropics. Orange represents enthusiasm, fascination, happiness, creativity, determination, attraction, success, encouragement, and stimulation. Red is the colour of fire and blood, so it is associated with energy, war, danger, strength, power, determination as well as passion, desire, and love. Even though, orange is a little obeyed with brand core values and brand personality red cannot be accepted in either case. Best colours for the brand logo are blue and yellow. Since, Blue symbolizes trust, loyalty, wisdom, confidence, intelligence, faith, truth, and heaven and yellow: symbolizes warm, sun and friendliness, those two colours combination will generate the real brand core values and personality. If the text letters were in blue and yellow (“Sri Lanka” in blue and “A land like no other” in yellow logo in figure 5.4, before modifications will be more appropriate than the present one.

5.5 Positioning Strategy of Sri Lanka

Section	Theory	Practice
5.1	Theory 1	Analysis of Tourism competitiveness in Sri Lanka
Chapter 4	Theory 2	Destination Internal analysis
5.2	Theory 3	Customer Analysis and market segmentation for Sri Lanka's tourism Industry
5.3	Theory 4	Sri Lanka's Image
5.4	Theory 5	Destination Branding in Sri Lanka
5.5	Theory 6	Positioning Strategy of Sri Lanka
5.6	Theory 7	Destination Marketing Efforts of Sri Lanka

Sri Lanka has used different brand positioning statements during the last five years period. Although, the “Land like no other-Sri Lanka” statement dominates with most of tourism communication materials, following four are examples for supplementary brand positioning statements Sri Lanka Tourist Board has utilized during the last five year period of time with different communication instruments.

Sri Lanka Brand Positioning Statement No. 1: 2002 – 2004 Strategic Plan

“The sunny beaches, the warm waters, the salubrious highlands enriched with two thousand five hundred year culture that hosts seven of the worlds heritage sites and probably the eight wonder of the world to give you that memorable Asian holiday is the “Land like no other – Sri Lanka”

Brand Positioning Statement No. 2: 2004 – 2010 Strategic Plan

“Sri Lanka is a tropical island with a history dating back to the birth of time; a place where the original soul of the Buddhism still flourishes; and where nature's beauty shall remain abundant and un-spoilt for ever and ever. Sri Lanka ranks as one of the great ‘Spirit of Travel’ destinations on earth, a richly satisfying experience for body, mind and spirit.”

Brand Positioning Statement No. 3: WOMAD (World of Music, Arts and Dance) Sri Lanka 2005: “A place for events”

Brand positioning Statement No. 4: Addendum to the SASEC Tourism Development Plan to include Sri Lanka, 2006:

“A destination offering holistic leisure attributes and an ideal family getaway spot”. Within the same period there was an intention to position Sri Lanka as “a regional hub and gateway to Asia”

Different brand positioning statements to the same markets and intention to make different statements for different segments have created confusion with the real idea the Sri Lanka Tourist Board tries to communicate. It is evident that tourism marketers in Sri Lanka have considered positioning statement as just a promotional effort. They have attempted to write what they feel about the destination rather than how consumers compare a product's performance on specific attributes with that of one or more competitors.

According to interview data with tourism managers in Sri Lanka, they have little emphasis on producing a distinctive brand identity. Moreover, they have not considered the tourists' perceived brand's tangible benefits, emotional benefits, personality, core values and brand essence in developing positioning statements. At least they have not considered the tourists' image components. Best example is the attempt to make a positioning statement with event attribute of which tourists have little image on Sri Lanka. This conveys the loose consumer orientation in developing a positioning statement.

As stated earlier “A land like no other-Sri Lanka” is the frequently used positioning statement in most of the communication materials of the Sri Lanka Tourist Board. Although, it tries to differentiate Sri Lanka with the rest of the destinations, it does not clearly communicate the differentiation base for the consumers. As analysed in the destination brand section the best differentiation tool for Sri Lanka is its diversity. The diversity itself is described by three key brand personalities specifically; diversity in people, nature and culture.

The mistakenly used term “the land” should be taken into debate as another issue. During the secondary data collection it was really hard to find a book or article, which has not described Sri Lanka as “an island”. Most of the web pages and textbooks and journal articles use the term “island” instead of “land”. Therefore most travellers are aware of Sri Lanka as an island. Positioning as an “island” generate surplus benefits than position as “land” since, most of the

countries in the world are not islands and islands are more attractive than rest of the destinations with their scenic beauty. Positioning as an “island” again communicates scenic beauty of the country. It will be possible to communicate strategically using the term “Island” since; it reflects benefits tourists’ value.

5.6 Destination Marketing Efforts of Sri Lanka

Section	Theory	Practice
5.1	Theory 1	Analysis of Tourism competitiveness in Sri Lanka
Chapter 4	Theory 2	Destination Internal analysis
5.2	Theory 3	Customer Analysis and market segmentation for Sri Lanka’s tourism Industry
5.3	Theory 4	Sri Lanka’s Image
5.4	Theory 5	Destination Branding in Sri Lanka
5.5	Theory 6	Positioning Strategy of Sri Lanka
5.6	Theory 7	Destination Marketing Efforts of Sri Lanka

In this section study will analyse the destination marketing mix of the Sri Lanka using four Ps (Product, Price, Place and Promotion) strategies.

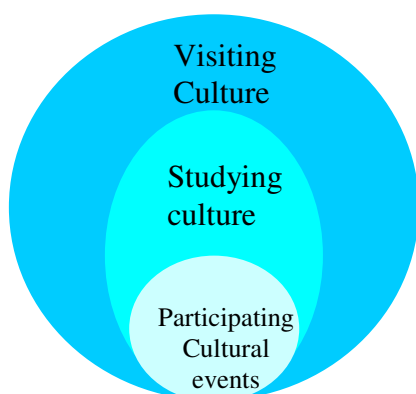
5.6.1 Product Strategy

As in Figure 5.6; Gross Picture of Tourism product mix of Sri Lanka, there are three product lines in the tourism product mix of Sri Lanka to be precise; Cultural Attractions, Natural Attractions and Social Attractions. Each product line has a certain width too. For an example, the product line of cultural tourism can be divided into three different sub product lines, such as studying culture, visiting culture and participating cultural events. The visitors to Sri Lanka with cultural tourism motivation can be regarded as cultural tourists. As in the Figure 5.5, 21 of international tourists have strongly agreed to “visiting cultural attraction motive”, while 3 out of them strongly agreed to “studying culture motivation”, two out of studying culture motive travellers have strongly agreed to participating cultural events.

Therefore set in the Figure 5.5 suggests that there are only two out of 131 travellers who have had strong cultural motivation, which is the intersection of the set in Figure 5.5. If tourism

planners refer term “cultural tourism” to this part of the segment cultural tourism becomes a niche product in the product mix. However, cultural tourism becomes a significant component of product mix if all the tourists who have strong motivation in at least one of three motivations (visiting, studying and participating) were taken to the cultural tourist definition.

Figure: 5.5 Cultural Tourism Motivations



Source: Research Data Analysis

Moreover 42.7 % of tourists have agreed they have motivation to visit cultural attractions while 19.8 % agree to participating cultural events and 16 % agree to culture study motivation. These figures highlight the fact that they also have certain level of motivation in cultural products. They also can be classified as cultural tourists; because they take advantage of cultural resources during their travel experience, although they have strong interest in another motivation. Therefore it is wise to consider, the first segment as culture specialists while the second segment is taken as culture generalists. As in the explanation of cultural products, most of the tourists get a certain degree of advantages of all the product lines. Ultimately, tourists get a combined experience of all the product lines.

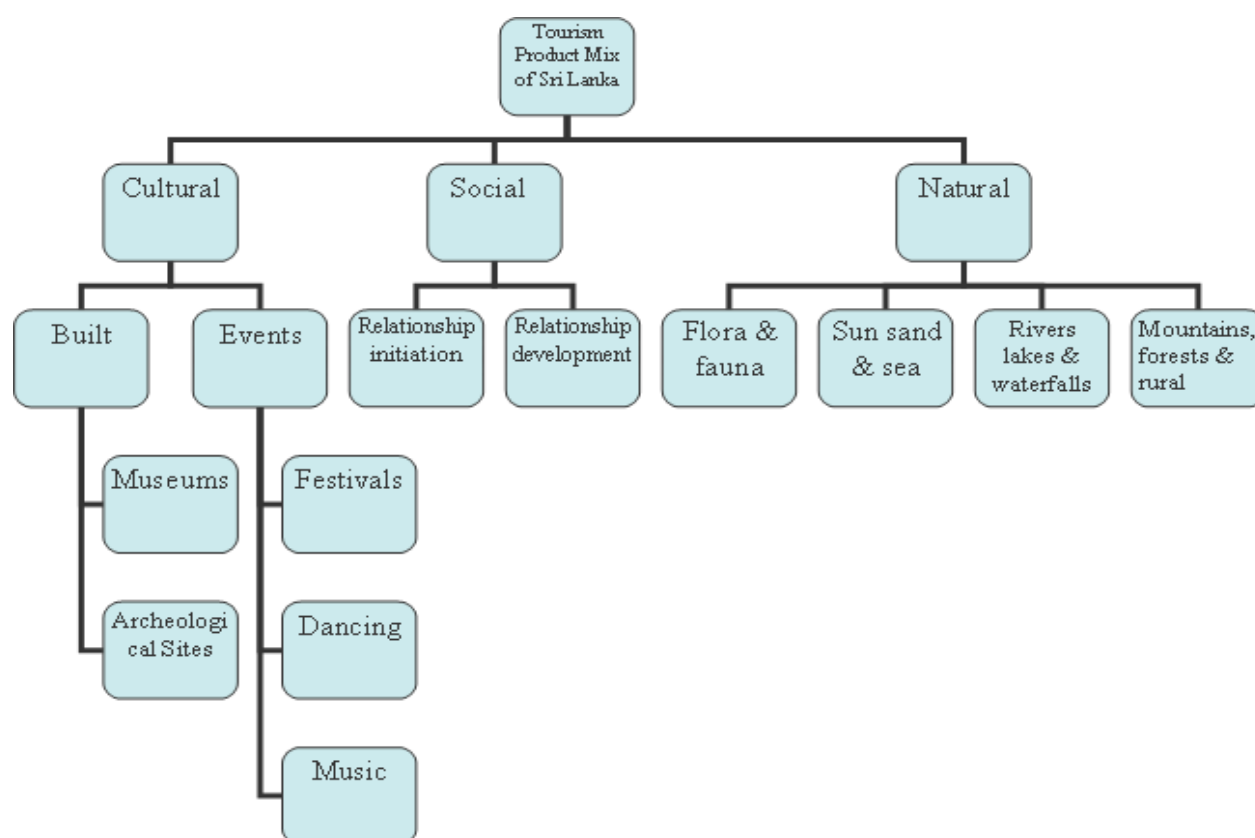
Cultural attractions can be either built attractions or events such as festivals, music and dancing.

Natural Attractions of Sri Lanka includes diverse range of attractions from beaches in the border of the country to mountains in the middle of country and from natural scenery of environment to wild life. Natural attractions in Sri Lanka can be classified into groups as “flora & fauna”, “sun sand & sea”, “rivers lakes & waterfalls”, and “mountains, forests & rural landscape” (see internal analysis of the study for product items). Table 5.20 in

segmentation basis of this chapter figured out the importance of the nature aspects of tourism in Sri Lanka. Moreover Table 5.23 confirmed the findings of Table 5.20 with three mostly proffered items namely nature, beaches and weather representing the nature product line. Additionally, wildlife is also included in the list with 5.4% of international tourists' contribution.

Social attractions reflect the people being part of the product mix. This can be divided into two broad categories as relationship initiations and relationship developments. Relationship initiation reflects meeting new people and relationship development replicates meeting friends, relatives and business partners.

Figure 5.6: Gross Picture of Tourism Product Mix of Sri Lanka



Source: Research data analysis, 2007

The Gross picture of product mix of Sri Lanka with three mainlines and sub-lines are depicted in Figure 5.6 notably each of the product-lines consist of several items. Therefore Figure 5.6

does not provide a comprehensive picture of the tourism product mix of Sri Lanka. The complete product mix diagram will include plenty of product items in each of sub-branches.

Table 5.25: Satisfaction on Core and Supplementary Services of Sri Lanka Tourism

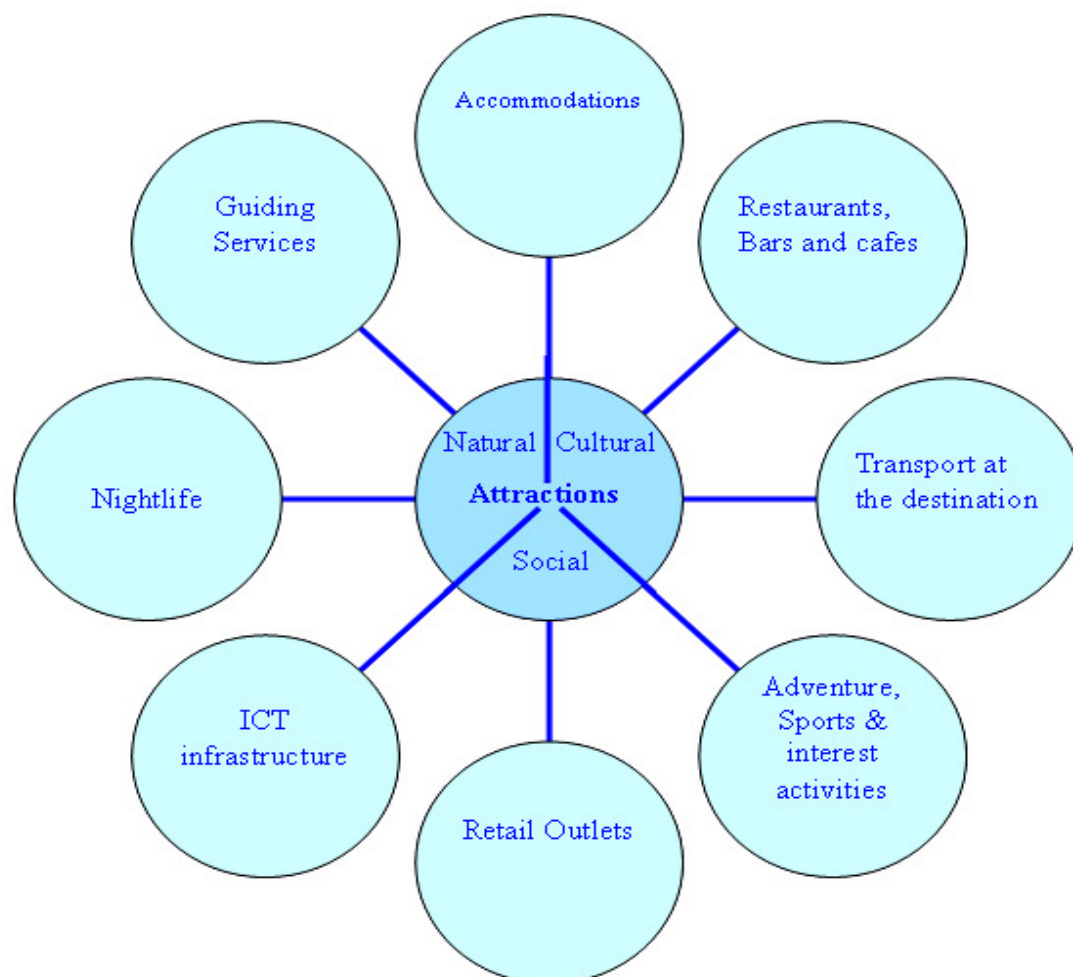
Main component	Classification	(1=disagree, 5=agree)	
		Mean	Aggregate Mean
Destination attractions (core products)	Natural Attractions	4.0191	4.04453
	Cultural Attractions	4.3893	
	Social Attraction (people)	3.7252	
Destination value enhancing Services	Accommodations	3.8321	3.678425
	Restaurants, Bars and cafes	4.3282	
	Transport at the destination	3.3435	
	Adventure, Sports & interest activities	3.9618	
	Retail Outlets	4.0458	
	ICT infrastructure	3.1221	
	Nightlife	2.9924	
	Guiding Services	3.8015	
Destination facilitating services	Roads, Toilets, Car parks, Individual traveller support services, road signs and guidelines, consultation and tourist’s information centres.		

Source: Research Data Analysis, 2007

As obeying with C. Lovelock's (2005) core and supplementary classification of services Table 5.25 classifies the entire service mix into three broad categories as destination attractions, value enhancing services and supplementary services. Although, the questionnaire did not examine the facilitating services Table 5.25 lists the several facilitating services tourism marketers must take into account when developing strategies. Table 5.25 recognizes three core products as natural, cultural and social attractions. Satisfaction on cultural attractions (4.3893) was the highest following natural (4.0191) and social (3.7252) respectively. Overall satisfaction on core benefits is 4.04453 out of five point scales.

Aggregate mean on core benefits is relatively higher than value enhancing services. Although, people reflect the core image component according to most preferred in Sri Lanka satisfaction on social attractions reflects less than the rest of two core benefits. The Flower of Service (Figure 5.7) is a compelling visual framework for understanding the supplementary service elements that surround and add value to the product core. There are eight clusters or petals of supplementary value enhancing services that surround the core products. Figure 5.7 did not include the facilitating services with precise purpose although; they should be reflected in it. Supplementary value enhancing services included accommodations, restaurants, bars & cafes, transport at the destination, adventure, sports & interest activities, retail outlets, ICT infrastructure, nightlife and guiding services.

Figure 5.7: Flower of Tourism Service in Sri Lanka



Source: Research Data Analysis, 2007

In the final part of the international tourists' survey, respondents were asked four questions on the perception on product strategy of Sri Lanka. Descriptive statistics on four criteria are

shown in Table 5.26 tourists have described Sri Lanka as a modern touristy destination with 3.6718 of 5-point scales. Tourists rate the destination as a combination of meaningful places with 4.2748 mean. They did not express Sri Lanka as an improved tourist destination with significantly higher mean score. The mean was just around moderate three (3.084). But quite a higher degree of agreement presented with describing Sri Lanka as a perfect tourist destination. Taken as a whole, tourists agreed that the destination is at a satisfactory level with product strategy (3.7615 mean).

Table 5.26: Descriptive Statistics on Satisfaction on Product Strategy

Sri Lanka can be described as a	(1=disagree, 5=agree)			
	Minimum	Maximum	Mean	Std. Deviation
Modern destination	2,00	5,00	3,6718	,79849
Perfect destination	2,00	5,00	4,0153	,70148
Destination with meaningful places	2,00	5,00	4,2748	,69119
Improved destination	1,00	5,00	3,0840	,88612
Product overall	2,75	5,00	3,7615	,46911

Source: Survey Data, February-March 2007

5.6.2 Promotion Strategy

According to the interview data on promotion strategy, the Ministry of Tourism, the Sri Lanka Tourist Board and Air Lanka Company lead the promotional activities on international tourism around the world.

Sri Lanka Tourist Board maintains a comprehensive website including most of the information (including Sri Lanka map and weather, attractions to see, how and when to travel, travellers essential and image bank) travellers willing to know before travelling. Website <http://www.srilankatourism.org> is occasionally updated with new events in Sri Lanka. Additionally the Board has published books on road maps, attractions and soon. Those are available in different languages but mostly in English. Moreover, the Board has developed

promotional brochures with different themes such as culture, nature, adventure, Ayurvedic, Buddhism, history and cuisines. All of them include pictures of different attractions but available only in English. In 2006, Sri Lanka won the 3rd prize in the Annual Tourist Award in France in the category of “Best Destination Brochures”.

There are a number of other promotional activities being carried out by Sri Lanka. Servicing of tourist information is a continuing activity, which includes distribution of literature to the travel trade and to the consumers and servicing telephone and mail inquiries on a continuing basis. The Board participates in a number of major tourism fairs held annually, along with Air Lanka (the National Carrier) and the Sri Lanka Travel Trade.

The Board has recently approached to promote alternative tourism together with other stakeholders. This movement was called “Beyond Beaches”. The idea is to change the image of Sri Lanka from a cheap and cheerful mass tourism beach destination to a more sophisticated destination for Alternative Tourism such as eco, agro, nature, sports and adventure, culture, heritage, health, tourism, to promote community based tourism and develop sustainable

The Board has further engaged in promotional activities with the support of international bodies such as Adventure Centre Asia, SASEC and so on. “Friends of Sri Lanka” campaign is a good example for getting international support. Under this program The Board intended to get support from anybody who has visited the country before, professionals including actors and journalists who have written articles about the country and seek their support in promoting Sri Lanka as a safe destination. The Board also made country targeted promotional campaigns. This is mainly done in the major tourist generating countries to Sri Lanka. Within last five years The Board had conducted several programs aiming at the Indian market. The promotional campaign included media publicity, billboards at selected cities, road shows, publicity slides and films in Indian cinema halls. The other countries the promotional campaigns covered include UK, Germany, France, China, Middle East, Korea, Japan and Hong Kong.

The Board maintains branches in Australia, France, Germany, India, Ireland, Japan, United Kingdom and United States of America. These offices are mainly established for maintaining

better public relationships. Sri Lanka is currently spending nearly 60 % of its marketing budget on the maintenance of its foreign offices.

As the National Carrier of Sri Lanka, Sri Lankan Airlines continuously support to build the positive image of the country throughout the world. The airline has invested heavily in promoting Sri Lanka as a travel and tourism destination. The 'Rediscover Sri Lanka' in 2005 and 'Magic of Sri Lanka' 2006 are some examples of their efforts. These campaigns focus on the country's attractions, including the warmth and friendliness of the people, and other cultural and human characters of Sri Lanka. Additionally, Sri Lankan Air organizes a number of international events in Sri Lanka, such as golf, surfing, and rugby tournaments, which bring much exposure to the country.

Table 5.27: Descriptive Statistics on Promotional Strategy

Tourism promotions of Sri Lanka are...	(1=disagree, 5=agree)			Std. Deviation
	Minimum	Maximum	Mean	
<i>True</i>	2,00	5,00	3,8168	,65400
<i>Useful</i>	1,00	5,00	3,6489	,73300
<i>Enjoyable</i>	1,00	4,00	3,1832	,64213
<i>Guiding</i>	1,00	5,00	3,8015	,68410
Promotion overall	1,25	4,50	3,6126	,49148

Source: Survey Data, February-March 2007

Table 5.27 summarizes the descriptive statistics on perception of international tourists on promotional strategies of those affirmed bodies. International tourists agree with the true content of the advertising and other promotional activities with 3.8168 mean out of 5 scale. Interestingly all of the tourists (N=131) showed some level of agreement on this aspect. Therefore agreement ranged in between 2-5. But, respondents' perception on usefulness of those promotional activities was lower to trueness of the activities. Respondents were in moderate level of satisfaction in respect to enjoyableness of the advertisements. This is the least scored aspect of promotional activities. Moreover, respondents accepted advertisements as guiding advertisements with 3.8015. In general tourists were satisfied with the promotional

activities carried out to promote Sri Lanka as a tourist destination. A few of the tourists has commented that they have never seen any advertisement on Sri Lanka.

5.6.3 Pricing Strategy

The total price for a tourist includes prepaid and local expenditures. Prepaid expenditures include airfare, hotel, meals, airport transfers, and transportation, which could be purchased separately by the individual traveller or purchased as a package tour. Local expenditures can be any expenses not prepaid, which can include meals, local tours, shopping, transportation, and entertainment. Respondents were asked four direct questions on price of Sri Lanka covering four different components of the local price.

Table 5.28: Descriptive Statistics on Pricing

Sri Lanka has Low Prices for....	(1=disagree, 5=agree)			Std. Deviation
	Minimum	Maximum	Mean	
<i>Food & Meals</i>	1,00	5,00	3,9008	,83071
<i>Tour Guiding Services</i>	2,00	5,00	3,5649	,82368
<i>Accommodation</i>	2,00	5,00	3,5954	,75221
<i>Entrance to Attractions</i>	2,00	5,00	3,5191	,78790
Price Overall	2,00	5,00	3,6450	,65995

Source: Survey Data, February-March 2007

Sri Lanka was the fourth most price competitive tourism destination following Brazil, India and Ethiopia respectively. The international tourism survey of the study justifies the findings of the World Travel & Tourism Council (refer Table 5.28) with higher degree of acceptance. Respondents agreed to lower level of price respectively for food & meals (3.9008), Accommodation (3.5649), Tour Guiding (3.5191) and Entrance Charges to Attractions (3.5191). In general tourist satisfied with the prices of tourism products with 3.645 mean. Entrance charges to attraction rated as relatively higher than the other three components.

Three tourists had adversely written about the higher entrance charges to Sri Lanka. Entrance charges to attractions had changed for both domestic and international travellers from 2006.

5.6.4 Place Strategy:

Based on the informal interview data with international tourists, formal interview data with tourism management organizations, tour guiders and hotel managers, Figure 5.8 sketches the intermediaries of tourism distribution system in Sri Lanka. As in the diagram of Tourist Intermediaries and Tourists' Flow tourism system consists of four main parts including tourists generating regions, websites, interim regions and travel destination in concern (in this study Sri Lanka). The main actors in the tourism industry include governments, tour operators, hotels, airlines and other transport operators, and tourists. As in Figure 5.8 tourism distribution system begins in tourists generating region. Most of the tourists search information on their travel itinerary using Internet. Therefore the Internet plays vital role in initiation of the travel decision-making process. As with the expansion of usage of Internet most of the tourists have done their most of tasks including booking of air tickets, booking of hotels, initial time plan and plan for places to be visited before arriving the destination. Some of the tourists met in the study had a well-prepared route plan and most of them are individual travellers and travel without a guide or domestic travel agent. They use the public transport most of the time. They belong to younger ages and most of them were students.

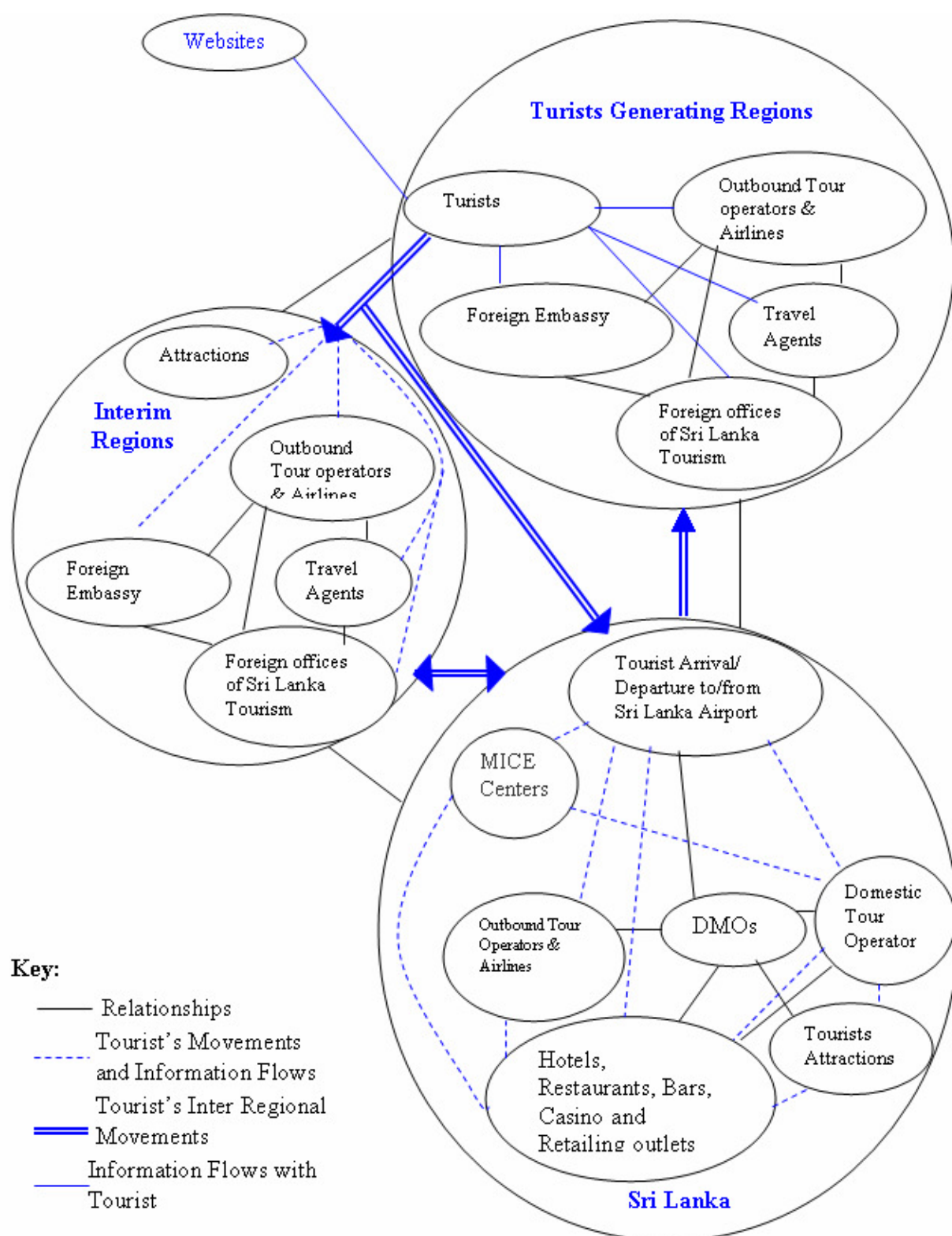
In the tourists generating region there may be several intermediaries. Some common intermediaries to Sri Lankan context include Sri Lankan embassies in foreign countries, outbound tour operators, travel agents & airlines and foreign offices of Sri Lanka Tourism. The foreign offices are only available in some selected countries. These intermediaries are very valuable to Sri Lanka since they promote tourists to visit Sri Lanka.

Interim Regions also play vital role in channelling strategy. Within the international tourists' survey, fifteen tourists could be recognized who first travelled to India and then to Sri Lanka. There were ten tourists who travelled first to Maldives and then to Sri Lanka. Six tourists intended to visit Maldives upon completion of their Sri Lanka tour. Thus India and Maldives have become important interim destinations to Sri Lanka. As tourists revealed the major reasons for travelling from/to those two countries within one tour were availability of cheaper & frequent flights and closeness of the destinations. Moreover, the five tourists who arrived via India indicated that they wanted to escape the disturbances made by Indians and polluted

destination. The three tourists from Maldives revealed that they changed their original vacation plan due to high costs in the Maldives. The rest of tourists had initially decided to travel to both countries in a single tour. The tourists' transits airports also can be included to interim regions but, they rarely affect changes to original travel plan of the tourist. Same types of intermediaries listed in tourists generating region can be found within the interim regions as well. But these intermediaries perform quite different role to the tourists generating regions since interim region's intermediaries handle tourists who are not residents of the respective country.

Intermediaries in Sri Lanka play the major role in tourism distribution system. They perform their tasks even before tourists initiate their actual journey. Those intermediaries in Sri Lanka include airports, domestic tour operators, travel agents, accommodation, entertainments and hospitality service providers in Sri Lanka, visitor attractions management bodies, DMOs, MICE centres and outbound tour operators. Additionally public transport services local and central government also can be included to the system

Figure5. 8: Diagram of Tourist Intermediaries and Tourists' Flow



Source: Research Data Analysis, 2007

5.6.5 People Strategy

Recognizing the distinctive nature of services and tourism marketing this research analysis now turns to analyse the people element of a marketing mix. The people in Sri Lanka were generally analysed in the image section of the analysis. This section devotes to analyse the employees of travel and tourism related jobs. The three types of people were included in the last part of international tourists' survey. The descriptive result of the analysis is given in Table 5.29.

Table 5.29: Descriptive Statistics on People Strategy

People working in sector of travel and tourism industry in Sri Lanka are excellent	(1=disagree, 5=agree)			Std. Deviation
	Minimum	Maximum	Mean	
<i>Retailing</i>	2,00	5,00	3,5115	,78805
<i>Tour operators</i>	2,00	5,00	3,4809	,64868
<i>Hotel staff</i>	2,00	5,00	3,9160	,92851
Place Overall	2,67	5,00	3,6361	,56908

(Source: Survey Data February-March 2007)

As in Table 5.29 international tourists agreed the service of people in hotel industry with higher degree of satisfaction following retailing people and tour operators respectively. Tour operators and retailing people have shown less professionalism than hotel staff. Therefore there is a higher degree of training gap in relation to retailing people and tour operators. Sri Lanka Tourists Board conducts training courses for hotel management and tour guiding services. Interestingly, they have identified most of frontline related courses in relevant to hotel discipline including Hotel Housekeeping, Hotel Reception, Restaurant and Bar Service. Moreover, the tour guiding services also reflect the frontline have been identified by the Board. Training given to frontline is really important since, they are directly affecting to the moment of truth experience. Currently, around 800 students are attending for hotel related courses and 70 attending to tour guiding services. They have already issued 74 licenses for the ones who completed the tour guiding services related course.

5.6.6 Participation Strategy

Although marketing theory or destination managers does not consider “Participation” as marketing effort variable, this study considers it as a separate marketing element highlighting the importance of host community participation in travel and tourism industry specially, countries like Sri Lanka. As revealed in the image section and branding sections of the analysis most preferred thing in Sri Lanka was “People”. The term “people” here does not intends the people who are involved in the tourism industry. If that was the intention the satisfaction mean values for people elements and image of the people elements must be greater than the declared mean values in Section 5.6.5. Therefore, receiving host community participation to create greater satisfaction to tourists and adding more positive image on Sri Lanka can be easily done but it should be in a creative and sustainable way. Stressing these factors, separate survey was conducted to assess the level of community participation and community attitudes towards tourism.

Host community survey sample consisted of 7 government employees, 13 private sector employees, 7 retired, 10 self employed, 10 unemployed and 10 students. Moreover the sample consists of 43.4 % of respondents who do not have any family member engaged in tourism related job and rest (54.7%) represented the opposite. The 5-point Likert type Scale questions were based on statements that represented a continuum from strongly agree to strongly disagree. These questions consisted of three different themes; impact of tourism, DMOs’ strategy on community participation and host community attitude on tourists.

Table 5.30: Descriptive Statistics Impacts of Tourism

Tourism in Sri Lanka has strongly support for betterment of ...	(1=disagree, 5=agree)			Std. Deviation
	Minimum	Maximum	Mean	
<i>Regional Development</i>	2,00	5,00	4,1923	,84107
<i>Culture</i>	1,00	5,00	2,8269	1,45145
<i>Natural Resources</i>	1,00	5,00	3,9423	1,01775
<i>Reduction of Crimes in the region</i>	2,00	5,00	3,9808	,82819

Source: Survey Data Analysis, 2007

The host community survey reveals (Table 5.30) the impact on paramount for culture with very low mean value (2.8269). The least mean value on cultural impact reveals that host community agrees with the negative impact of tourism on culture. Impact on natural resources and crimes were around equivalent mean values. These above average means, suggest that the host community do not accept both distortion of natural resources or encouragement of crimes with tourism.

Friendliness of tourists was assessed with one close-ended and one open-ended question. In response to close-ended question host community has responded with higher degree (4.1731 mean) of acceptance of friendliness of tourists. Interestingly, none has strongly rejected the friendliness of tourists. Respondents were further asked to indicate the friendliest tourists for them. Majority of the host community have agreed Germans as the friendliest tourists with significantly higher rate of percentage (75%). The second was French with 21.2% score and third was UK with residual. None have come with another answer.

Examination of DMOs' participation suggested by the respondents demonstrated in Table 5.31 explains that tourism management organizations have not done significant development of the respective destinations' tourism infrastructure. Although, some differences in perceptions were evident, participation of host community for tourism development and DMOs' motivations to listen to host community were also highly unwelcome by the host community with 2.3846 mean out of 5 scales.

Table 5.31: Descriptive Statistics on Community Participation

Tourism in Sri Lanka has strongly support for betterment of ...	(1=disagree, 5=agree)			Std. Deviation
	Minimum	Maximum	Mean	
<i>Tourism management organizations developed my area</i>	1,00	5,00	2,3462	1,02679
<i>Tourism management organizations facilitate and encourage us to involve in tourism related business activities</i>	1,00	4,00	2,3846	,63102

Source: Host Community Survey Data Analysis, 2007

Chapter 6: Conclusions

In this chapter the thesis discusses the significance of the research findings, critical issues, problems encountered and future directions of research. This chapter consists of four main components such as discussion, conclusions, suggestions for future researches and recommendations for practice. Within the discussion section, the chapter discusses several issues encountered in the research work of this thesis. Conclusions review the contributions with respect to the objectives of the thesis. In the final section suggestions for future researches are offered.

6.1 Discussion

Most of the tourism literature addresses either the demand or the supply aspects of tourism. This study recognizes the importance of both sides and the need of addressing them with dual (both demand and supply) side perspective. Given the importance of this issue, it was necessary to find a common framework for destination marketing managers, which address both sides in a single picture. For the best practice of tourism marketing this study develops a comprehensive framework (Figure 1.1) combining both demand and supply variables. The conceptual framework of the study is an outcome of an extensive review of literature in Chapter 2. The framework of study confirms that destination marketers have to achieve the strategic objectives set through internal analysis, customer analysis and competitiveness analysis and match the appropriate demand with supply, by using the entire range of marketing tools for delivering greater customer satisfaction.

This study uses multi-research approaches including survey, interviews and observations. Moreover the study uses both primary and secondary data for analysis as well as drawing conclusions. This combined research approach covering both demand and supply side variables generate better analytical results eventually.

6.2 Conclusions

This study analysis has presented common factors thought to be influential over the competitive position of Sri Lanka; moreover it has also identified strengths and weaknesses of

some of the common measures, which can be used, for ranking destinations and evaluating their performance levels by potential tourists to Sri Lanka. Findings reveal that strategies for overcoming barriers in the least competitive criteria T&T regulatory framework, health & hygiene, safety & security and tourism infrastructure developments are needed. Although Sri Lanka is rich in natural and built attractions tourists do not consider it as well developed tourists' destination. Therefore, initiatives should be made to develop the supplementary benefits of the destination. Customer analysis of the study concludes the diverse nature of the customers who are visiting Sri Lanka. Unlike in the past, Sri Lanka attracts different tourists from different destinations with different motivations and behaviours. The first layer of the conceptual framework further suggests the need of integration of the so-called three fold analyses. It is evident that variables in internal analysis are directly related to the variable in competitiveness analysis. Further, the findings of these three-fold analyses should be used to develop correct positioning and branding strategy for the destination. The variables in all of the three analyses have direct impact on the destination image.

The study makes an important contribution to the understanding of brand image, branding strategy and positioning in the context of Sri Lanka as an international tourist destination. Results of the study indicate that destination image, destination brand and destination positioning are as related concepts. The overall analysis indicates that Sri Lanka can develop its image as a diversified destination image, which is fairly well established. It has significantly higher degree of positive images in the mind of customers as historical & cultural, Adventure, shopping and Scenic beauty attributes of the destination. It lacks a positive image mainly on the domestic transport infrastructure. A well planned image promotion campaign after building a sophisticated roads and railway system (which is currently in process) in this area could be extremely helpful.

Based on this analysis, Sri Lanka's destination branding needs several strategic approaches to market the destination for international tourists. First, recognizing the main brand elements of the destination is essential. As analysis suggests the brand elements of the destination includes tangible benefits, emotional benefits, personality, values and brand essence. Recognizing all of these pillars is highly essential to develop effective brand strategy for the destination. Second, the maintaining consistency among the branding elements is critical. Inconsistent messages with different positioning statements may mislead the tourists. Third, the slogan needs to reflect the brand image, a summary of the brand personality of a

destination. Therefore slogan and logo should be considered as strategic weapons not just as statement or picture. Thus, developing slogan and logo for Sri Lanka must be done with careful analysis of destination attributes and image. The wording in the slogan must be carefully handled in order to differentiate Sri Lanka from other tourist destinations. Suggestions for alteration of Sri Lanka's tourism brand slogan have been given in the analysis. Similarly, picture of the logo must be altered in order to present the real image components of the brand. Colours of the logo should stand for the brand essence and values. Inconsistency in positioning strategy is evident in Sri Lanka Tourism. Therefore, careful attention should be made to communicate consistent message through destination positioning. Positioning should not alter on an ad-hoc basis and also it should not change to cater to the demands or interest of people who have power. The positioning statement of Sri Lanka should reflect the things tourists perceived and things destination is really able to offer.

The significance of the findings of this study exists with the destination marketing mix implications. The study analysis goes beyond the traditional marketing mix and introduces one common variable in service marketing "the people" agreeing with Lovelock C. (2005). Additionally, this analysis takes into account one hardly addressed issue of "participation" in the literature of destination management as a marketing efforts variable, which was never recognized in this way.

Sri Lanka's destination product mix consists of three main product lines natural, cultural and social. All of these three lines of core product benefits are in satisfactory level but it does not support most of the supplementary petals of the flower of service in Lovelock C.'s (2005) discussion. Attractions alone do not attract visitors. It is often the "experience" that finally provides the value to the traveller. Restaurants, Bars & cafes and Retail Outlets petals are strong and attractive enough to generate higher degree of positive satisfaction. Rest of the supplementary pillars has to be developed. Special attention should be given to nightlife and ICT infrastructure of the destination. Additionally, good and safe transportation which links destinations and airports and more locally hotels, local towns and attractions are essential. Place images are heavily influenced by pictorial creations of the destination in movies or television. For an example discussions on Sri Lanka with Australians and Norwegians who have never visited to Sri Lanka exposed that their immediate association was with the Tsunami and terrorism. This is of course not the image tourists who have visited to country bear and not the image DMOs want to communicate. Nevertheless, a negative image requires

time and energy to change, assuming the image perception can eventually be changed. Sri Lanka's destination marketers must be very strategic in handling the destination promotion efforts. As in the analysis, destination promotions have not been regarded as enjoyable campaigns. As well, it has not covered some market segments effectively. Destination promoters in Sri Lanka Tourism should cultivate a strong brand name with consistent messages to international tourists in order to get effective results.

The strength in Sri Lanka's destination marketing strategy, is in no doubt is enhanced by pricing efforts. Being the fourth most price competitive country Sri Lanka has the ability to gain the low price advantages. Unfortunately, DMOs promotions were heavily based on other aspects such as alternative tourism and infrastructure availability. None of the effort is evident to position or market the destination as low cost destination. International tourists significantly agreed with the lower level of the prices in tourism related services. Comprehensive picture of destination place strategy has presented in the Figure 5.8. This Figure indicates that the organization of international tourism creates a dominant and dependent relationship between the local and international economies. Destination marketers should not only concern themselves with activities within the destinations. The web, tourist generating regions and interim destinations play vital role in tourists' buying process. Thus, careful attention should be made to develop attractive websites, enhance the relationships with tourists generating and interim destinations. As the figure illustrates modes of transportation and management are important ingredients of an international tourism system. The availability of air, sea, and land (rail or roads) travel is essential. Unfortunately, Sri Lanka does not account for good sea and land transport system. Effective operations and support systems are equally important for developing strong relationships among tourist generating regions, web, interim regions and local destination.

In general, the international tourists seem to have understood that satisfactory services of working force of Sri Lankan tourism and hospitality work force but, in a low degree. Variations exist among categories of hospitality services. However, significant training must be given to the people who work in the T&T industry in Sri Lanka.

In general, the respondents seem to have understood that tourism development has implied progress in terms of economic benefits in the local areas they live in. However, their environmental perceptions indicate that tourism directs to the deterioration of natural

resources. On the other hand, they are reluctant to accept any kind of change that involves cultural modification with international tourism. Moreover, they do not accept international tourism as a source of cultivating crimes in the destinations. Host community has general agreement on international tourists as “friendly” people. From a general point of view, it seems clear that the host population does not acknowledge the contribution of Sri Lanka’s DMOs on local infrastructure developments. Listening to the host community voice is also perceived as very low by residents. In the case of new development work, promotion of specific destination activities and events for instance, the opinion of the host community group should be carefully examined to establish whether specific management strategies are needed to reduce the causes of their concern. On the other hand, a closer examination of the development supporters might provide insights into how to enhance the project’s positive aspects in marketing programs both inside and outside the host community. It is the responsibility of the central tourist agencies to work together and make the destination tourist friendly. It is important to encourage residents to participate in tourism, and to understand better how to interact with tourists, and to gain income from tourism.

6.3 Suggestions for Future Researches

As this study has been investigating different dimensions of international tourism marketing, both the methodology and findings could be helpful for other researchers. Although the study findings are useful for both tourism practitioners and academic researchers to understand better destination marketing for international tourists, this research was limited in scope of time span and sample size. Repeating the study with a larger sample, with multiple times in the future will generate more generalized conclusions. This study was examining seven major variables, therefore significant time and emphasis could not be given to in-depth analysis of those variables. Therefore, it is better to include few variables and go in-depth into them in future researches.

6.4 Recommendations for Practice

Sri Lankan Government should give high priority to restore law and order in the country. Appropriate measures should be undertaken to curtail the rising crime rate as a consequence of terrorism and other activities. A high level of security is not only vital for attracting

tourists but is also a part of motivation for investment in the sector. Higher security level in the country will eliminate any fears in the minds of potential tourists.

It is equally important that the DMO continue to effectively market the tourism industry for international tourists. Government needs to allocate a sufficient budget for the successful marketing of tourism and DMOs should effectively manage it to build strong brand perception through building positive destination image and effective positioning while enhancing the effectiveness of other marketing efforts such as product, price, distribution, promotion, people and participation.

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Appendices

Appendix I: International Tourists' Survey Questionnaire

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This research is organized by W.M. Rohan Laksiri, Master of Science Student of Agder University College, Norway to fulfil the requirements of the master thesis. I would kindly ask you to participate in this research. This research is confidential and anonymous.

Questionnaire 1: for International Tourists

1. Which of the following best describes you:

Please select one

Government employee	
Business employee	
Education employee	
Health employee	

Unemployed	
Student	
Retired	
Other	

3. Do you mainly visit Sri Lanka for?

Please select one

business	
Vacation	
Visiting family	
Study	
Conferences	
Other	

3. Where is your usual country of residence?

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4. Do you mainly speak another language other than English at home?

Please select one

Yes	
No	

5. Is English your preferred language for

Please select one

Yes	
No	

reading?

6. What is the main language that you speak at home?

--

7. Can you speak or understand Singhalese or Tamil?

Please select one

Yes	
No	

8. In what year were you born? 19

9. Are you:

Please select one

Male	
Female	

Yes	
No	

10.1 Is this your first visit to Sri Lanka?

10.2 If the answer is “No”, how many times have you visited Sri Lanka?

10.3 When did you visit Sri Lanka previously?

11. Please indicates why did you select to visit Sri Lanka by answering following questions.

I selected Sri Lanka since,	Your Attitude				
	Strongly Agree	Agree	Moderate	Disagree	Strongly disagree
I have read about Sri Lanka and wanted to experience it					
I have friends at home from Sri Lanka					
I wanted a very different vacation					
I wanted some sun and warmth					
I can take advantage of the currency exchange rate					
It is the best deal I could get					
I could access to comprehensive tourist information					
I believed Sri Lanka would provide value for my holiday					

money					
I was able to get convenience and frequency flights to the destination					
It is a place I can talk about when I get back home					
I have not visited before					
I have opportunity to increase my knowledge about places, people and things					
I can visit historical buildings and sites					
Sri Lanka has interesting rural countryside					
I wanted to get away from the demands of home					
I wanted to get a change from a busy job					
I wanted to escape from the ordinary					
I wanted to be in romance					
I wanted to find thrills and excitement					
It has quality environment					
It has high standards of hygiene and cleanliness					
It has personal safety even when travelling alone					
It has nice weather					
It has outstanding scenery					
I wanted to experience a new and different lifestyle					
I wanted to see people from different ethnic backgrounds					

I have an opportunity to see or experience unique indigenous people					
I wanted to try new foods					
I wanted to meet new and different people					
It has wilderness and adventure					
It has outdoor activities such as hiking, climbing, diving and etc.					
I have opportunity to practice a foreign language					
I have opportunity to shopping					
I am able to visit arts and cultural attractions					
I wanted to experience luxury hotels and facilities					
I wanted to just relax					
It offers variety of activities for the entire family					
We can travel being together as a family					
I wanted to visit friends and relatives					
I wanted to participate for Festival shows					
I wanted to study the Festivals and cultural events					
I wanted to participate or observe sporting activities					

12. What do you like most in Sri Lanka?

.....

.....

13. What are the places you have visited within Sri Lanka?

.....

.....

14. What places do you intend to visit?

.....

.....

13. How do you describe Sri Lanka?

	Your Attitude				
	Strongly Agree	Agree	Moderate	Disagree	Strongly disagree
Sri Lanka is an inexpensive destination					
It has variety of good arts					
It has tourist land-marks					
It has rich cultural heritage					
It is good for inexpensive shopping					
It offers great hospitality to tourists					
It has better ICT infrastructure					
It has quality deluxe hotels					
It has good transportation facilities					
It is a less exploited destination (close to nature)					
It is unsafe due to petty crimes					
It is a country of cheaters					
It has poor guide services					
It is a destination with unhygienic conditions					
It does not have a good night-life					

It has poor quality of roads					
I suffered due to nuisance caused by beggars					
It has unethical practices existing in travel trade business					
The flights to and from Sri Lanka takes longer than I would like					
Sri Lanka has a pleasant climate					
Sri Lanka has well developed tourist facilities					
I can experience a sense of adventure in Sri Lanka					
A holiday in Sri Lanka could be surprising					
Sri Lanka offers many opportunities to increase my knowledge					

14. Please select your attitude on following statements

	Your Attitude				
	Strongly Agree	Agree	Moderate	Disagree	Strongly disagree
Most of the locations are traditional					
Most of the attractions I visited are perfect					
Most of places I visited are meaningless					
Most tourist destinations are improved					
Promotional information given is					

false					
Most of the advertising materials used to promote Sri Lanka are useless.					
Tourism advertisements on Sri Lanka are enjoyable advertising					
Tourism advertisements on Sri Lanka are Misleading advertising					
The food and meal is overpriced					
Price for tour guiding services are reasonable					
Entrance charges to attractions are fair					
Charges for accommodation and hospitality services are satisfied					
Tour operators in Sri Lanka provide excellent services					
Hotels and restaurants in Sri Lanka provide unpleasant services					
People engage in retailing provides helpful services					

Thank you very much for your kind assistance!

Appendix II: Host Community Survey Questionnaire

This research is organized by W.M. Rohan Laksiri, Master of Science Student of Agder University College, Norway to fulfil the requirements of the master thesis. I would kindly ask you to participate in this research. This research is confidential and anonymous.

Questionnaire 2: for Host Community

1. Which of the following best describes you:
Please select one

Government employee		Unemployed	
Private sector		Student	
Retires		Other	
Self employed			

2. Is any member of your family employed in tourism related job?

Yes	
No	

3 Please indicate your attitudes on followings:

	Your Attitude				
	Strongly Agree	Agree	Moderate	Disagree	Strongly disagree
Tourists and tourism develop the area I live					
Tourism management organizations facilitate and encourage us to involve in tourism related business activities					
Tourism management organizations developed my area					
Tourists destroy our culture					
Tourists destroy our natural environment					
Tourism encourages lots of crimes					

Tourists are very friendly and kind					
Touristy facilities in my area should be further developed					
I like to talk with tourists and be friends of them					

4. Tourists from countries are very friendly.

Appendix III: Interview Check-list: for Destination Marketing Organizations

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Interview Checklist: for Destination Marketing Organizations

1. Destination Competitiveness in last five years

- Increased expenditures:
 - Creation of employment:
 - Construction of new facilities:
 - Constriction of new attractions:
 - Improvement of local infrastructure:
 - Strengthening of community fabric via volunteerism:
 - Increased local interest and participation regional events:
 - Increased local pride and community spirit:
 - Increased awareness of non local perceptions:
 - New ideas from exposure to other cultures and their way of life:
 - Strengthening of regional traditions and values:
 - Enhanced international recognition of a region and its values:
 - Propagation of political values held by government and/or population:
2. Internal Analysis: Strategic actions taken for enhancing value adding activities and recourses:

Service providers private
<ul style="list-style-type: none">• Hotels:• Tour operators:• Medical:• Security:• Transport:
Collective services
<ul style="list-style-type: none">• Image building• Advertising• Information

<p>Tourist infrastructure</p> <ul style="list-style-type: none"> • Local transport • destination statistics • research • training • quality systems
<p>Comparative advantage</p> <ul style="list-style-type: none"> • Scenery • Climate • Price • Access • Diversity
<p>Environmental management</p> <ul style="list-style-type: none"> • Ecology • Culture • Social structure
<p>Configuration management of the destination tourism product</p>
<p>Relational moves:</p> <ul style="list-style-type: none"> • Cluster • Alliances • Relations

3. Customer Analysis: Target Marketing

- Segmentation variables
- Target markets
- Positioning strategy

4. Networks and Partnerships:

- Among the local governments
- Among the tour operators
- Among hotels and other facility providers
- Local public
- Residential community

Appendix: IV: Interview Check-list: for Hotels tour operators and tourism related business persons

Interview Check-list: for Hotels tour operators and tourism related business persons

1. Type of the business:
2. Number of direct employees:
3. Number of indirect employees:
4. Do you see any tourism marketing opportunity in the areas where tourism is not yet developed?
 - What are them?
 - What type of activities possible to perform?
 - What type of government support need for developing tourism in those areas?
5. Please list five best countries your most satisfied customers seem to come from.
6. Please list five countries that you would like to work with tourists from
7. Please list the most interested activities of tourists according to your experiences.
8. Do you think transport facilities for tourists can be further developed?
 - a. If yes how is it?
9. Do you think facilities in hotels for tourists can be further developed?
 - a. If yes how is it?
10. Do you think facilities in restaurants for tourists can be further developed?
 - a. If yes how is it?
11. Do you think tour guide facilities for tourists can be further developed?
 - a. If yes how is it?
12. Do you think you need any training for developing your service?
 - a. If yes what kind of training?
 - b. Who should provide it?
13. What sort of marketing activities do you perform to market your service and destination for international tourists?
14. How do you share your cost of marketing activities?
15. How do you coordinate your marketing activities?
16. Do you implement any quality management program in your organization?
 - a. If yes, explain the program in brief.

Appendix V: Data Analysis Tables

Table: 7.1 Mean Comparison Motivational Segments Country of Residence

Country of Residence	Motivational Segment (Refer Key)											
	1	2	3	4	5	6	7	8	9	10	11	12
Australia	3.85	3.77	3.87	3.81	3.20	3.37	3.18	3.53	3.11	3.30	2.93	3.58
Belgium	2.32	3.54	4.00	3.40	2.57	2.14	2.64	2.95	2.29	1.96	1.36	2.24
Canada	4.50	4.50	3.67	3.20	3.00	3.50	2.25	2.67	2.33	3.25	1.00	2.00
China	4.38	4.25	4.00	3.50	3.00	3.25	3.50	2.83	3.50	3.38	3.00	2.67
Denmark	3.25	3.00	2.33	2.00	4.00	1.50	3.00	3.67	1.67	2.25	3.50	2.67
England	3.94	4.08	3.90	3.31	3.33	3.25	2.99	3.32	3.07	3.15	2.46	3.10
France	2.30	3.65	3.33	3.84	2.60	3.70	2.95	3.53	3.47	3.05	3.30	2.60
German	3.25	3.80	4.06	3.33	2.95	2.73	3.50	3.03	2.94	3.25	3.14	3.33
India	3.31	4.03	4.11	3.36	3.22	2.83	3.03	3.59	2.70	3.03	1.89	2.63
Italy	3.42	4.44	4.14	3.97	3.63	3.88	3.63	3.36	3.44	3.29	3.83	4.42
Japan	4.50	4.75	4.33	2.40	3.50	3.00	3.00	2.67	3.00	2.75	2.50	3.33
Netherlands	1.50	3.75	3.00	3.40	2.00	3.50	2.75	1.67	2.00	1.50	2.00	1.00
Norway	2.00	3.75	3.76	3.05	2.55	2.59	2.89	2.27	2.24	2.39	2.32	3.24
Poland	2.00	4.50	2.33	2.00	4.00	3.00	1.75	2.33	3.00	3.50	2.50	1.33
Sweden	2.00	3.00	4.17	3.60	3.00	4.00	1.75	2.33	5.00	1.75	2.50	3.33
Switzerland	4.75	3.75	4.33	4.20	3.50	4.00	3.75	4.67	4.33	2.75	3.50	3.00
United States	2.33	3.92	3.61	3.93	3.00	2.83	3.33	3.44	3.00	2.08	2.00	3.22

Source: Survey Data Analysis, February-March 2007

Table: 7.2 Mean Comparison Motivational Segments Gender of Tourist

Gender of Tourist	Motivational Segment (Refer Key)											
	1	2	3	4	5	6	7	8	9	10	11	12
Male	3.28	3.85	3.81	3.44	3.02	3.10	3.16	3.20	3.19	3.00	2.91	3.09
Female	3.34	4.01	3.92	3.45	3.25	3.16	2.99	3.18	2.80	2.87	2.34	3.21

Source: Survey Data Analysis, February-March 2007

Table: 7.3 Mean Comparison Motivational Segments and Gender of Tourist

Purpose of Travel	Motivational Segment (Refer Key)											
	1	2	3	4	5	6	7	8	9	10	11	12
Business	3.13	3.50	3.42	3.50	3.50	2.75	3.25	3.33	3.83	2.88	3.00	3.33
Vacation	3.58	4.14	3.96	3.50	3.19	3.47	3.01	3.31	3.11	3.15	2.59	3.25
Visiting Family	3.25	3.00	2.33	2.00	4.00	1.50	3.00	3.67	1.67	2.25	3.50	2.67
Study	2.22	3.73	3.94	3.27	2.63	2.33	2.94	2.69	2.36	2.28	2.15	2.81
Other	4.20	3.83	3.94	3.68	3.66	3.56	3.33	3.56	3.38	3.42	3.06	3.77
Multi	2.77	3.62	3.50	3.42	2.88	2.54	3.29	2.90	2.95	2.44	2.81	2.51

Source: Survey Data Analysis, February-March 2007

Table: 7.4 Correlation coefficients between age of the tourist and motivational segments

Correlation	Motivational Segment (Refer Key)											
	1	2	3	4	5	6	7	8	9	10	11	12
Age	.25	.166	-.026	.135	.088	.377	-.055	-.029	.269	.161	.149	.115
Number of Previous Visits	-.201	-.295	-.156	-.301	.055	-.114	-.354	-.215	-.032	-.096	-.241	-.455

Source: Survey Data Analysis, February-March 2007

Key:

1. Escape/Relax
2. Nature Lovers
3. Novelty Seekers
4. Self Development Seekers
5. Fun and Thrill Seekers
6. Safety Seekers
7. History and Culture Lovers
8. Adventure and Sports Players
9. Relationship Builders
10. Value Maximise
11. Family Travellers
12. Shopping Foods and Hotel Hunter